

チェコ政治・経済月報(8月14日)

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Jan 2 In a New Year's address, PM Babiš said that the CR was currently going through one of the most successful and happy periods in its modern history and was performing confidently in international relations. Mr. Babiš said that his Cabinet would continue its policy of mainly investing in people, adding that it would raise both pensions and salaries in 2020. He said a new construction bill would likely be the most important legislation in the ChD this year, while digitalisation and cybersecurity would also be major issues for cabinet.

A new system of electronic sick notes that went into effect in the New Year is working well, says the MLSA Minister Maláčová. She said that patients would no longer have to deliver documents anywhere in person. The system had been due to come into effect a year previously. PM Babiš's first Cabinet wanted to abandon it and create a new version, but MLSA Minister Maláčová revived the project when her party the ČSSS entered a coalition with Mr. Babiš's ANO.

With the arrival of the New Year, the Czech Army has deployed 1,000 soldiers to NATO's Very High Readiness Joint Task Force. The Czech soldiers will be on alert for the entirety of 2020 and must be able to take action in a crisis situation within 5 days. The Czechs had been preparing intensively to play a role in the Very High Readiness Joint Task Force since 2018. The task force was created following the Russian annexation of Crimea.

According to the Media, some 55% of Czechs believe that the modern history of the CR is being distorted. This view was shared by 66% of respondents aged 60 or over. The handling of a statue of Soviet commander Konev and the appropriateness of building a monument to the WWII "Vlasov army" have proven divisive topics in the CR in recent months. With regard to the latter dispute, almost 2/3 of Czechs are not in favour of removing monuments linked to WWII.

3 The CC's president Rychetský, who is serving his second 10-year term in office, has refuted earlier claims that he might leave his post before his term in office expires in 2023.

The Cabinet is to debate a bill which would regulate the number of invasive species in the CR, introducing a means of controlling plants and animals that are a threat to native wildlife and cause considerable ecological damage. Similar legislation is in effect in other EU member states. The number of non-indigenous flora and fauna species in Europe is around 12,000 and around 15% of those are considered invasive. The damage done is estimated at around 12bn euros annually. The number of non-indigenous or foreign species in the CR is estimated at around 2,000 and 10 to 15% of them are considered invasive.

The fiscal year 2019 ended with a CZK28.5bn deficit, the highest since 2015, MF Minister Schillerová said. The 2019 state budget was projected with a CZK40bn deficit. Opposition parties have criticized the result, arguing that there is no justification for a deficit budget at a time of solid economic growth. They moreover criticize the fact that large sums are spent on the social sphere rather than on investments. The 2018 budget ended on a surplus of CZK2.9bn, despite the projected CZK50bn deficit.

4 The SVA has warned poultry farmers and meat importers of the possible spread of an ongoing bird flu epidemic in neighbouring Poland. The warning came after Polish authorities reported a 5th outbreak of the H5N8 strain of avian flu. Hundreds of thousands of birds could already be affected. The SVA has asked poultry farmers to limit their contact with livestock and report any signs of abnormal behaviour. Avian influenza has been detected in 5 farms in Poland in recent weeks. The last European bird flu epidemic was in Germany in 2017. At that time, 40 farms were affected and nearly 100,000 birds had to be culled.

Last year was the 2nd hottest recorded at Prague's Klementinum observatory since 1775, when systematic temperature measurement began there. The average temperature of 12.6°C for 2019 was 0.2°C cooler than the record year of 2018, according to the CHI. This past summer was the hottest in 58 years, with average temperatures of 19.5°C, some 2.5°C above the norm for June through August.

5 TUs will demand a 6-7% rise in average wages this year, according to CMKOS. It said that despite an expected slowdown, Czech companies can afford pay hikes. If wages stagnate, the entire Czech economy – ½ of which is driven by consumption – is at risk. GDP in real terms has already exceeded 90% of the EU average, yet Czech wages are at around 30% of the European average in nominal terms.

Total tax revenues excluding social security insurance rose by 5.4% last year to CZK1.075tn, the MF said. Collected revenue was about CZK12bn lower than planned. The MF anticipates even higher revenues in 2020. In part, this stems from 10% higher taxes on alcohol, tobacco, and gambling, which should increase state revenues by about CZK10bn. The aim is to keep the budget deficit at CZK40bn or 0.7% of economic output.

The Cabinet approved a CZK1.7bn plan to identify suitable sites and begin preparations for building an underground nuclear waste repository. The amount is allocated for exploratory work, research and compensation to local communities during the initial phase through 2023, with the repository to be built by 2065.



Jan 6 Nearly 1 in 6 Czechs would prefer voting be held on a single day, according to the Median. Currently, elections are held on Friday afternoons and on Saturdays until 2 pm. Roughly ½ of respondents said they would prefer to vote on Saturdays, and just under 7% said they would prefer elections be held on Sundays. The Cabinet is currently working on electoral reform, due to be implemented ahead of the 2021 parliamentary elections. In addition to possibly introducing a single-day ballot, mail-in or absentee voting is also being addressed.

The ATM have called on MRD Minister Dostálová to withdraw the current draft bill for a new Building Act. A completely new proposal needs to be created as the legislation is so bad, the ATM's Chairman said together with the ARR. The draft Building Act has elicited criticism in the media as well. In October, it was described as a de-facto privatization of the legislative process which plays into the hand of developers.

A 2nd EC audit has found PM Babiš in conflict of interest, said media, citing an “extremely reliable” unidentified source. The 1st audit, focused on EU structural funds, determined Babiš is in conflict of interest because he continues to influence the Agrofert conglomerate he founded, despite placing it into trust funds in 2017. The 2nd was focused on the distribution of agricultural subsidies.

Municipalities across the CR could raise more money if local councillors are given the ability to specifically tax properties located on industrial zones, according to the MF, which is working on the legislation. Currently, municipalities are able to raise only a fraction of what their counterparts in Germany raise through this specific tax, according to a developer analysis. MF Minister Schillerová said that the specific amount of the increase is still negotiable. The ATM has been arguing that more money from the state budget should be allocated to these areas of administration, because, in the ATM's words, they are shown to be very good managers. The MF Minister says she is not willing to make changes in budget allocations.

7 The number of bankruptcies of companies and entrepreneurs increased in 2019 after a 6-year decline, according to the CRIF. The number of businesses declaring bankruptcy rose by 22 over the previous year to 680. The respective rise for entrepreneurs was starker, increasing by 2,440 to 7,940. The number of bankruptcies of companies in 2019 was still quite low compared to the period of 2008 through 2017.

9 The EC is seeking the return of CZK1.6bn paid out in agricultural subsidies to the CR. The penalty is based on an audit carried out 3 years ago aimed at establishing whether the funding was actually being used by farmers under the “active farmer” concept. The EC says the Czech MA failed to keep sufficient tabs on how the subsidies were being allocated. The MA disputes the findings of the EU audit and wishes to contest the amount set. It will therefore request a conciliation procedure.

Unemployment in the CR rose to 2.9% in December, up from 2.6% in November, according to the LO. Despite the rise, it is the lowest figure for the period of December since 1996. There are currently 215,500 people seeking employment. The lowest unemployment rate was in Prague, with 1.9%, while the highest number of unemployed, 4.4%, was registered in the region of Moravia-Silesia.

Sales of hybrid cars in the CR increased by 73% last year to over 8,300 vehicles, while the CR's automobile market dropped by 4%. Sales of electric cars increased by 3% to 636 vehicles. The share of hybrid vehicles combining a petrol or diesel engine with a battery and electric motor on overall car sales currently amounts to over 3.3%, according to the CIA. The highest number of hybrids, over 4,000, was sold by Toyota, followed by Audi and Mercedes-Benz. Škoda Auto sold 85 of its Superb iV plug-in hybrids last year.

Czech agricultural turnover exceeded CZK19.4bn last year, discounting EU subsidies, according to preliminary data. Agricultural production in 2018 rose by CZK9.1bn to over CZK151bn, while expenditures increased by CZK6bn to CZK175bn. EU subsidies account for up to 25% of the CR's overall agricultural production.

10 The CR's yoy industrial production figures dropped by 3.2% in November, the CSO reported. The development was affected mainly by lower production of motor vehicles, other transport equipment and machinery. The CR's external balance in good ended in a surplus of CZK10.2bn, which was by 6.9bn lower than in the previous year. Exports decreased yoy by 6.2% to CZK325.5bn, while imports fell by 4.4% to CZK315.4bn.

According to the CVVM, the majority of Czechs do not want a referendum in which the CR would vote on whether to leave the EU. 54% said they would be against such a referendum being held; 30% would welcome it. If it were to take place, 21% said they would vote for Czexit, while 45% would be against.

12 The growth of pensions will continue regardless of the economic situation of the CR and in 2021 the average monthly pension should reach CZK15,000, PM Babiš. He also rejected claims that the Czech pension is in danger of collapsing in view of the retirement of people from particularly high birth rate years in the near future. According to Mr. Babiš, this decline will be replaced by higher social contributions from rising wages.

13 Prague City Hall have voted in favour of raising taxi riding prices from CZK28 to CZK36/km. Waiting costs and the starting rate will also be increased. A new electro-taxi price list will also be set up, with a top rate of a maximum of CZK39/km.

Consumer prices rose on average by 2.8% last year, the highest annual increase since 2012, according to the CSO. The most influential factor on the rise of inflation was the growth in housing prices. Another factor was the rise in food prices, and rents. Meanwhile, clothing and shoe prices had a downward trend.

Jan 13 Close to 1 in 5 companies was exposed to a cyberattack in 2018, a yoy increase of around 20%, according to the CSO. The most common form of attack was denial-of-service, wherein the perpetrator floods the targeted resource with superfluous requests in an attempt to overload systems and prevent legitimate requests from being fulfilled. The most endangered entities are the state administration, banks, energy companies and, increasingly, universities. Experts say that the threats that companies face are not only external but sometimes from the businesses' own employees too.

The MRD will amend its proposal for a new Building Act, MRD Minister Dostálova said after a meeting with the ATM. The decision comes after heavy criticism from the ATM, as well as remarks from courts which studied the proposed legislation. The MRD says it now intends to cut down on the level of centralisation it originally envisaged. Local building authorities at the district level will be preserved, while public works and large construction programmes will be decided on the state level.

14 The computer virus used during the December cyber-attack on a Czech hospital in Benešov was probably of Russian origin. Known as Ryuk the virus targets institutions and companies that work with sensitive data. If the attack is successful, the hacker group can then ask for a ransom in return for making the institution's data accessible again. The attack paralyzed the institution for days.

Shanghai has cut all official ties with Prague. The move came after Prague signed a partnership agreement with the Taiwanese capital of Taipei and is seen as the latest exchange in Czech-Chinese diplomatic tensions. Prague previously had a sister city agreement with the Chinese capital of Beijing, which included a clause recognising the One China policy. However, following elections in 2018, Prague's coalition said it wanted to remove the clause, sparking a series of tit-for-tat moves that led to the cancelling of the agreement.

The fruit harvest in the CR declined by 27% yoy in 2019, according to the CSO. The reason for the decline was frosts in the spring, experts said. With the exception of apricots, raspberries and blackberries, all types of fruit recorded a yoy fall in yield last year. The overall volume of fruit harvested in 2019 was 18% below the average over the last 5 years.

15 ANO would have taken 33.6% of the vote if elections had been held last month, according to the STEM. It indicates that the Pirates and the ODS would have tied for 2nd on 12.3% each. All 9 of the parties in the current ChD would get back in. Though previous polls put them approaching the 5% threshold, the Tricolour party would only have received 0.5% of the vote in December.

The CR could launch its own satellite to serve the new NATO satellite centre SATCEN ČR. The hardware, which could be launched within a few years, would be part of a national satellite technology project. The MD invested hundreds of millions of crowns into SATCEN ČR, which went into full operation at the start of this year. It evaluates images and data for both NATO and the Czech Army and other Czech institutions, though little information on its activities has been made public.

Vietnam's start-up airline Bamboo Airways, which began operations in January 2019, expects to launch direct flights to the CR this April. Initial flights will connect Prague and Hanoi. Vietnam agreed in June 2017 to open a direct air route and also agreed to offer visa waivers to Czech citizens for up to 15 days.

16 Prague Airport last year handled a record 17.8mn passengers, which is an increase of 1mn yoy. The most frequent destination was London. The growing trend in passenger numbers is expected to continue this year, which will stretch the airport's capacity to the limit. Passenger numbers have been growing steadily since 2013. Last year's 6% increase has exceeded the airport's expectations which were at around 4%. The growth is due to more direct links to exotic holiday destinations as well as more connections to the most frequented European cities.

The Czech economy is increasingly dependent on foreign labour. According the CSO, foreign workers made up 13% of the labour force last year. In 2010 it was just 6%. The majority of foreign workers in the CR are Ukrainians, Slovaks and Vietnamese nationals, but there is also a growing number of workers from Russia, Poland, Bulgaria and Romania. There are 567,000 foreign workers registered in the CR, of which 290,000 have permanent residency, 275,000 are here on a temporary basis and 2,500 are foreigners who have been granted or are seeking asylum in the CR.

The Czech Army wants to buy at least one large combat drone for its new Unmanned Systems Battalion, which will have up to 300 members should start operating in October of this year and become fully operational by 2025. The combat drone, an unmanned machine weighing several hundred kilograms will complement the already used smaller drones.

18 Avian influenza has appeared in the CR again after a 3-year absence, the SVA said. An outbreak of the H5N8 virus, which is fatal to birds, was recorded at a small poultry farm by the village in Vysočina. The poultry at the farm has been put down and special veterinary measures have been introduced in the immediate area. Bird flu has been recorded recently in Hungary, Slovakia, Poland and Romania.

20 The speaker of the Senate Jaroslav Kubera has died at the age of 72. He was elected head of the Senate in November of 2018. In previous years he served as mayor of Teplice.

Jan 20 The MH is set to implement new measures to benefit patients, CT reported. Officials plan to introduce electronic application forms for medical appointments and to release regular data on waiting times for examinations. The MH is currently consulting the changes with doctors and insurance companies, who are charged with monitoring waiting times. A special commission is due to discuss electronic application forms at the end of this month. Out-patient specialists are demanding assurances that moving the system online will not end patients' freedom to choose a doctor.

PM Babiš has announced his decision to dismiss MT Kremlík over an overpriced tender to operate a new online system of motorway vignette sales. The PM said the CZK400mn contract had been badly organised and put together. Mr. Babiš said he would put MIT Minister Havlíček in charge of the MT portfolio on a permanent basis and ask him to effect a merger of the 2 institutions.

21 The ČSSD said they would prefer if the party found a new dedicated MT Minister rather than having the MIT Havlíček hold both portfolios. The party are also against the planned merger of the MT and MIT.

22 The average mortgage rate in the CR fell to 2.34% in December from 2.35% the previous month. Last month was the 11th in succession that mortgage rates fell. They hit their lowest point, 1.77%, in December 2016 before again showing an upward trend. The average amount loaned in new mortgages in December, CZK2.54mn, was a record high.

Around 29,780 new companies were set up in the CR in 2019, according to the Bisnode. That is the lowest figure since 2017, but also the 3rd highest in the past decade. Last year a record number of businesses ceased to exist, with 1 business shutting down per every 2 new companies.

President Zeman has dismissed MT Minister Kremlík from his post. The president has authorized MIT Minister Havlíček to take charge of the MT portfolio on a permanent basis.

23 The CR has significantly worsened its standing in TI's annual Corruption Perception Index for 2019. According to the TI, the drop is caused by PM Babiš' alleged conflict of interest and EU subsidies to the Agrofert.

China's Hainan Airlines is halting regular direct flights from Beijing to Prague starting in March, MFA has confirmed. Hainan Airlines gave no reason for the disruption. But bilateral relations have cooled significantly in recent months following a series of diplomatic spats.

Škoda Auto TUs fear partial production of the Fabia model could shift to Seat, a Spanish subsidiary of the Volkswagen Group, with the departure of that company's CEO, Luca de Meo. Production of the Superb model in the CR is also still in jeopardy, saying it may move to Turkey.

A controversial order for the electronic motorway vignette in the CR has been officially cancelled, MIT Minister Havlíček announced.

Czech agricultural authorities plan to give permits to farmers to use Stutox II, a rat poison, to combat an infestation of voles in fields, orchards, meadows and vineyards. Last summer, the MA put a ban on the poison's blanket use after the ME warned it poses a threat to birds and other animals, including pets. Now, only areas with 5 times the so-called harmful threshold of voles can apply for permits to use Stutox II. The authorities expect the first permits will be issued by late February.

24 The Škoda Auto produced 910,000 vehicles in its 3 Czech plants in 2019, which represents a yoy increase of 2.25%. Overall production was down by 0.9% due to a drop in demand on Chinese and Indian markets.

27 IT specialists who took part in a 2-day hackathon to produce an online sales system for electronic motorway vignettes, officially launched the system. The 2-day hackathon, attended by around 60 volunteers, followed the scrapping of an overpriced deal negotiated by the former MT Minister. The organizer of the event wants to offer the system to the Cabinet free of charge. PM Babiš said that if the system proves to be functional, the Cabinet is ready to put it to use.

The CTO's head Novák handed in his resignation over the postponement of the auction of 5G frequencies, arguing that it will cost the state at least CZK6bn lost revenue. The auction was initially scheduled for H2 2019 but was postponed due to an objection by the EC over competition concerns. The Cabinet accepted his resignation and appointed the current member of the CTO's board Továrková in his place. The MIT Minister Havlíček announced that the auction is likely to take place in May or June this year.

28 The state will next month hold consultations with companies seeking a contract to build a new nuclear unit in the CR, the ČEZ's CEO Beneš said. The government envoy Míl and ČEZ representatives would helm the negotiations, which should conclude by February 19. Mr. Beneš said 5 companies were in the running for the contract. They are Russia's Rosatom, Westinghouse from the US, EDF of France, KHNP and CGNP.

29 The CR received CZK68.5bn more from the EU than it sent to the union's budget last year, according to the MF, some CZK24bn more in comparison to 2018. The MF says the rise is due to the increase in drawing money from EU funds. The positive difference between receiving EU funding and contributing to the EU budget places the CR among the list of so-called net recipient states. These include all of the other V4 states as well. Meanwhile, Germany and France rank at the top of EU contributor states.

Jan 30 The British Ambassador to the CR Nick Archer says that Brexit will not have an immediate impact on the lives of Czechs living in Britain nor for Brits residing in the CR. However, he said that while the rights of Czechs will be retained, they will be required to officially register if they reside in the UK after the transition period. Britain is set to leave the EU on January 31, at 11pm GMT. There will be a transition period until the end of 2020, while the UK and EU negotiate additional arrangements.

Czech police identified 5,677 foreigners in the CR illegally last year, 685 more than in 2018. The majority had entered the CR legally and then overstayed their visas. Of this group, police said most were from Ukraine (1,456), Moldova (825), Vietnam (353), Russia (234) or Uzbekistan (199).

The CR has among the highest percentage of organically farmed land in the EU. According to the Eurostat, 14.8% of Czech land is organically farmed, nearly twice the EU average of 7.5%. Neighbouring Austria has the highest proportion at 24.1%, followed by Estonia at 20.6% and Sweden at 20.3%. The EU country with the lowest percentage of organic farming is Malta at just 0.6%, followed by Romania at 2.4% and Bulgaria at 2.6%.

The CR is edging ever closer to an influenza epidemic, health experts say. The number of identified cases has risen to 1,452 per 100,000 inhabitants, less than 150 cases short of the threshold to officially declare an epidemic. The regions of Central, North and South Bohemia are currently most affected. The greatest number of cases have been recorded among elementary school children. Many schools have temporarily closed, and some hospitals have restricted or banned patient visits in an effort to try to contain the spread of the influenza virus.

MFA Minister Petříček has announced a temporary ban on the issuance of visas to Chinese citizens due to the coronavirus outbreak. Online applications have also been halted. So far, 5 Czechs in Chinese areas affected by coronavirus have requested assistance returning home. The possible evacuation of Czechs from China is being negotiated with France and British authorities, Petříček said. PM Babiš said a temporary ban on incoming flights from China was under discussion.

31 Britain will remain an important ally and business partner for the CR despite its departure from the EU, MFA Minister Petříček said on Britain's last day in the alliance. He described Britain as a close partner and ally, who had assisted the CR on the way to EU membership. He expressed the hope that the two countries would continue to cooperate closely in the areas of business, cyber security, research and environmental protection as well as fostering strong people-to-people contacts.

Feb 1 The spread of influenza has been officially declared an epidemic. Over the past week, the number of reported cases jumped 22% to 1,865 per 100,000 inhabitants, nearly 400 cases above the epidemic threshold. The Bohemia region is currently most affected, with the greatest number of cases recorded among elementary-school children. To contain its spread, many schools closed temporarily. Some hospitals have restricted or banned patient visits. 12 people have already died from complications from the flu. Doctors estimate that the number of influenza-related deaths at between 1,500 to 2,000 each year. Most who succumb are elderly and have existing conditions.

2 Czechs evacuated from China due to fear of contracting the deadly coronavirus are due to land in Belgium and then be transported to Prague, where they will be placed in hospital quarantine for 2 weeks. The Czechs along with Slovaks left China aboard a French plane under an arrangement between the respective countries' MFAs.

Average Prague rental prices fell by 1.5% last year to CZK335/m² but rose on average by 2.6% outside of Prague. Of the 10 central Prague districts, rental prices dropped in 4: Prague 3 (-9.1%), Prague 1 (-7.2%) and Prague 2 (-2.3%). The highest increases were recorded in Prague 9 (3.7%) and Prague 6 (2.9%). However, Prague rental prices are expected to rise again in 2020, as well as in the second-biggest city, Brno.

3 Evacuated Czechs are asymptomatic but will be quarantined in a Prague hospital.

To prevent the spread of the coronavirus epidemic the Czech Cabinet has approved the cancellation of direct flights to and from China for an indefinite period. The new measure will come into effect on February 9, PM Babiš said. Prague Airport currently runs 12 direct flights a week with China.

The CR will contribute CZK10mn to help tackle the coronavirus epidemic currently afflicting China, MFA Minister Petříček announced. The aid is to be distributed through international organizations in consultation with the World Health Organization. A financial contribution was proposed by Mr. Petříček during the weekend after PM Babiš said that the CR is unable to send medical equipment such as face masks, because they are needed in case of an emergency. The MFA and MH are also in discussions regarding the possible lease of ambulances, which are needed in China to transport infected patients into quarantine zones. Furthermore, government departments are negotiating the possible involvement of Czech experts, such as epidemiologists.

According to the Eurostat, just 3.4% of people working in the CR rank below the poverty threshold. Only Finland scored better, and it is the lowest income poverty rate in CR in the past 10 years. On average, every 10th EU citizen's income lies below the poverty threshold. The result is thanks to the wage-to-price difference. In Luxemburg, the median rate is twice as high as in the CR and those on low income jobs are therefore more likely to fall into poverty than in CR. Romania placed last, with every 6th worker threatened by poverty.

Feb 3 The government budget found itself in a deficit of CZK8.8bn in January. It is the first time that the CR has had a January budget deficit since 2003. According to the MF, increased funding for the STFI, higher pensions, teacher salaries and EU budget contributions are among the reasons behind the red numbers.

- 4** All of the 48 individuals thus far tested for the coronavirus epidemic in the CR have tested negative, MH Minister Vojtěch said. The number includes 5 Czechs who returned from China. A further 100 who are in China have until the end of the week to return to the CR, after which all direct commercial flights will be cancelled. However, PM Babiš has promised that a special government plane will be sent for those who do not manage to get back home before the deadline.

The MRD Minister Dostálová says ChD should begin to discuss a new construction law after July. MRD said the legislation had received 4,500 remarks during a consultation period, with the large number putting the whole process back by 2 months. The construction law is intended to accelerate and simplify the acquisition of planning permits and in turn allow the building of more new apartments. Under MRD's plans it ought to come into effect at the start of 2021.

- 5** The CR is to purchase CZK5mn in medical supplies to help China combat the coronavirus emergency, the MFA Minister Petříček said. He said that acquiring the materials from Czech companies would not threaten the availability of such medical aids on the Czech market. Another CZK5mn in financial assistance will be donated to the World Health Organisation to help fund its efforts to keep the coronavirus under control. The PM Babiš, had earlier said that the CR would only help China financially and was not in a position to send medical supplies.

The CR is taking the EC to the ECJ over the freezing of subsidies to Agrofert Holding, Deník N reported. The Cabinet approved the lawsuit proposed by the MA Minister Toman said. The subsidies were halted over the possible conflict of interest of PM Babiš, who founded Agrofert. He put the huge company in trust funds, but EC audits said that he still had control over it. The deadline for filing the action will expire on February 10. The Cabinet wants to take the matter to court despite the fact that last week representatives of the EC reportedly said during talks with Czech officials that it would eventually reimburse all Agrofert companies' projects except one costing CZK 1.6mn. Responding to this, a MA said it was taking the matter to court as a matter of principle.

- 6** ČEZ plans to build a 'gigafactory' for batteries for cars in North Bohemia in the coming years that would use lithium discovered in the Ore Mountains near Cínovec, on the German border. MIT Minister Havlíček said that ČEZ plans to use lithium stocks from both countries. The CR has the biggest lithium reserves in Europe and many politicians have pushed for its mining to be in the hands of a state-controlled company, such as ČEZ.

The electronic cash register system, known as EET, is expected to bring some CZK 15.2bn into state coffers this year, MF Minister Schillerová said. Some CZK 2.4bn out of the total will come from the extension of EET's online reporting requirements, approved this May, to professions that were not yet subject to it, including craftsmen, doctors, lawyers and taxi drivers. PM Babiš introduced the EET in 2016, when he was serving as MF Minister, to counter the grey economy and tax fraud.

The CR's industrial production has declined for the first time in 5 years: it suffered a drop by 3.4% in December. The development was affected mainly by a lower production of motor vehicles, other transport equipment and machinery. According to preliminary data, the CR's external balance in goods ended in a deficit of CZK 6.7bn, which was worse by CZK 2.1bn than in the previous year. Exports decreased yoy by 2.4% to CZK 247bn while imports fell by 1.5% to 253.7bn.

PM Babiš is in Brussels to hold talks with the CoE's President Michel and the EC's President von der Leyen. Among the topics on the agenda will be the long-term perspective of the European budget ahead of the extraordinary summit scheduled for February 20. Prior to his visit to Brussels, PM Babiš held talks with his Slovak counterpart Petr Pellegrini in Bratislava. Mr. Babiš said after the meeting that he was against the current EU budget proposal for 2021-2027, which plans on cutting cohesion policy funding due to the impact of Brexit.

- 7** Czech hotels and other accommodation facilities saw a record number of tourists in 2019. The overall number of tourists accommodated in Czech hotels, bed & breakfasts, and at campsites reached 22mn, 3.5% more than in the previous year. The number of overnight stays also rose, reaching over 57mn. More than 10.8mn foreign tourists visited the CR last year. Most were from Germany, followed by visitors from Slovakia and Poland. The number of tourists from China and South Korea has dropped.

The MLSA is planning to put forward an amendment to the law which would cut housing allowances to people on the dole who are not actively looking for work and to parents who do not send their children to school. MLSA Minister Maláčová said the move is to help the local authorities deal with "problem" citizens. However, many local administrations and NGOs working with socially disadvantaged groups have criticized the idea, saying it will make the plight of people living in poverty even worse.

- 8** Thousands of people from around the CR responded to a call for humanitarian aid to China made by the Třebíč City, donating face masks, disinfectants, digital thermometers, latex gloves and protective shoe covers, among others. Třebíč, which was asked for help by its partner city of Yichang, where hundreds are infected with the Wuhan coronavirus, earmarked CZK100,000 for the purchase of aid and called on the public to help. The humanitarian aid will be sent to China on several planes in the coming days.

Feb 9 A ban on direct flights to and from China is now in force in the CR. The last flight from China arrived at Prague's international airport February 8, bringing a number of Czechs who opted to leave the China due to the coronavirus outbreak. There were previously 12 direct links a week to 4 Chinese cities. The ban will remain in place until further notice. Similar bans have been affected by many other countries.

- 10** Many Czech travel agencies are cancelling planned trips to China in connection with the coronavirus outbreak. The MFA has warned Czechs against travelling to China and agencies said that, even prior to this warning, interest in trips to China had dropped by 50%. Clients can either get their money refunded or chose a different destination. Travel agencies say interest in holidaying in other Asian states remains high and the financial losses from the cancellations should not be high.

Unemployment in the CR rose to 3.1% in January, up from 2.9% in December. The number of people on the dole rose by 14,490 to 230,000. It is still the lowest January unemployment figure since 1997. LOs register just over 341,000 vacancies. According to experts, a rise in the number of unemployed is a typical phenomenon at the start of the year when employers effect lay-offs of people with fixed-term contracts or private entrepreneurs close their businesses.

There is a growing interest in Czech visas, the MFA reports, citing a record 813,000 visa applications in 2019. The number represents a 12.7% increase yoy. The overall revenues from visas could thus reach the CZK1bn mark for the first time, the MFA says. In 2018 it collected CZK771mn in visa-related fees. The vast majority of applicants, 91%, file for a Schengen visa which allows them to move within the Schengen area without restraint. 5.1% of these applicants were rejected. The MFA says fewer travel restrictions are behind the boost, citing a growing number of tourists from China, India, Saudi Arabia, and Belorussia.

- 11** The CR has applied for a conciliation procedure in connection with EU sanctions for errors in distributing agricultural subsidies. According to Czech Radio, the sanctions concern EU funds distributed between 2015 and 2017 and stem from an audit conducted 3 years ago. The EC wants the CR to return CZK1.16bn which was not used for the purpose for which it was granted. According to the EC, the control mechanisms in the CR are inadequate in this respect. The MA disagrees with the outcome of the audit and wants an independent body to review the case.

A bark beetle infestation will destroy up to 60mn m³ of wood in the CR this year and that figure is likely to double next year, according to think tank Czech forest. The level of damage caused by the insect has doubled every year since 2017, the authors of the mid-term prognosis said after 2021 the number of trees attacked will decline in view of the fact that less than 1/2 of all spruces living prior to the CR's bark beetle epidemic will be left standing.

The Cabinet and the ČEZ will publish a deal on the construction of a new unit at the Dukovany NPP in the coming weeks, the MIT Minister Havlíček said. Mr. Havlíček said a supplier of the new unit should be selected by the end of this year. Planning permission ought to be issued by 2029 and construction on the new nuclear unit would begin soon after, he said. The ČEZ's CEO Beneš said recently that the state would hold consultations during February with 5 companies seeking a contract to build the unit. These include Russia's Rosatom and US Westinghouse.

- 12** Czech MPs have elected Stanislav Křeček as the CR's next ombudsman. A former ČSSD's MP and deputy ombudsman, Mr. Křeček, who is 81, will replace Ms. Šabatová when her 6-year term ends next week. The new public advocate was elected by 91 of 175 deputies in a secret ballot in the 200-seat ChD. Mr. Křeček says he will defend the rights of the majority population and has said for instance that Romanies should take care of their own rights. Opposition parties have criticised his election, with the leader of TOP 09, Markéta Pekarová-Adamová saying he would debase the office of ombudsman. Supporters of Mr. Křeček, who was nominated by President Zeman, say he is familiar with the institution, having previously worked there, and will help return it to its original mission.

Around 50,000 trees in the South Bohemian forest of Šumava have been damaged as a result of the strong winds that swept through the CR on February 10-11. The exact extent of damages is still being estimated by foresters, but it seems that the strong winds did not cause heavy damage in any specific part of the park, the Šumava National Park said. The CR saw winds at the speed of up to 180 km/hour in places as the windstorm known as "Sabine" passed through the CR.

President Zeman's statement that he had fired his former advisor Šarapatka for incompetence was wrong and the state will have to issue an official apology on his behalf, the District Court for Prague 1 ruled. Mr. Šarapatka subsequently filed a lawsuit proving he had sent a resignation letter and subsequently left after a mutual agreement. The apology will be issued by the MF, because the head of state cannot be sued personally.

Scientists from the Institute of Molecular Genetics of the ASCR have bred a genetically modified chicken that is immune to the avian retrovirus known as ALV-J, which causes tumours and immunosuppression in infected chickens. The institute said that the new discovery could help strengthen resistance to the virus particularly in Asian farms and that the concept the scientists used could also be applied to other viral infections such as bird flu. How to specifically implement the method in practice is still being discussed.

Feb 13 The EC has predicted a slowdown in the Czech economy. The EC's winter forecast sees GDP growth falling to 2.1% this year, compared to 2.6% last year. Next year it is expected to accelerate to 2.2%. According to the EC, last year's growth was driven mainly by domestic demand, with household consumption fuelled by growing salaries. Industrial production significantly dropped in H2 2019, which had a negative effect on company investments.

The CR is to send 4.5t of medical equipment worth over CZK3mn to China to help tackle the coronavirus epidemic currently afflicting the CR, MFA Minister Petříček announced. The humanitarian aid, including face masks, respirators, latex gloves, disinfectants, and protective medical uniforms, will be sent to China on a plane from Vienna, paid for by the EU. The CR will also provide financial aid amounting to CZK6mn, which will be distributed through the World Health Organisation.

Around 950,000m³ of wood belonging to the state-owned forestry firm Lesy ČR have been damaged as a result of the windstorm Sabine. The damage has been estimated at CZK250mn to 300mn.

14 Inflation in January of this year reached 3.6%, up from 3.2% in December of 2019. It is the steepest yoy increase since 2012, the CSO reported. Economic experts had predicted stagnation at December's 3.2%. Inflation is expected to remain well above 3% in the coming months as well. Rents rose on average by 4.2% in January, the cost of sewage and natural gas increased by 2.9% yoy, while electricity prices were up by a 1/10 in January.

The city of Česká Lípa is launching an integration project for foreigners living in the region. The CZK1.8mn integration project, for which the city hopes to get a state grant, is to help the 2,500 foreign workers living and working in the area to learn the language and assist with their integration into Czech society. Local schools who have admitted 360 foreign children, most of whom do not speak Czech, will be heavily involved in the effort. The money will also serve to pay for translators to facilitate negotiations between the foreign community the city hall and schools. The majority of foreign workers in Česká Lípa are from Mongolia.

15 Czech regional authorities are to receive powers to regulate the use of water, including through hose-pipe bans. Under a government bill, regional commissions will be able in crisis situations to declare water shortages and impose usage restrictions independently, the daily said. The legislation is set to go before the ChD in a second reading. The ME Minister Brabec said experience of recent droughts had shown that the uncontrolled use of water by industry, ag

16 The MI is preparing new legislation aimed at helping sports clubs ban rowdy fans from entering stadiums. This includes permitting the use of cameras with facial recognition technology that would catch problem supporters trying to get into arenas. The draft bill also envisages fines of between CZK 10,000 and CZK 50,000 for the use of pyrotechnics in stadiums, with sanctions doubling in the case of repeat offenses. The OPDP has expressed reservations over the use of facial recognition technology. The MI said the misuse of information would be prevented by strict conditions set out in the amendment.

Electric car owners consumed considerably more energy from public charging stations in 2019 than in the previous year. The ČEZ said it had recorded a yoy doubling in the amount of power used to fuel electric cars. Its customers "tanked up" on 1963.5 megawatt hours last year, which was the equivalent of the amount of power used by around 600 households. ČEZ said cars had been charged at its stations over 150,000 times in 2019. 3 years ago, the figure stood at only 36,000.

A 2nd outbreak of avian flu in 2 months has been detected in the CR. The disease was discovered on a commercial poultry farm in the Pardubice district. The SVA has ordered 140 000 birds to be put down. The first Czech outbreak of the H5N8 virus, which is fatal to birds, was discovered at a small poultry farm in Moravia in January. Previously bird flu had not been seen in the CR for 3 years.

17 The 5 Czechs who returned from Wuhan city, which is at the centre of the coronavirus epidemic in China, a fortnight ago and were held in quarantine at Prague's Bulovka hospital, were released. All their tests have come out negative and none are showing any signs of illness. 77 people have been tested for coronavirus in the CR to date and all the tests have been negative.

CR is to send an army plane with over 7 tons of humanitarian aid to China to help tackle the coronavirus epidemic in the CR, Deputy PM Hamáček said. According to the MFA, which is coordinating the effort, the aid should be sent at the end of the month. It will be the second big aid consignment from the CR. The CR sent 4.5t of medical equipment, including face masks, respirators, latex gloves, disinfectants and protective medical uniforms to Vienna where it will be put on a plane to China together with aid from other EU member states.

The Cabinet has voted to raise poverty benefits referred to as the living minimum and the existential minimum as of April 2020. The living minimum is to be raised to CZK3,860/month from 3,410 while the existential minimum will be raised to CZK2,490 from CZK2,200/month. The ČSSD proposed the increase in view of the fact both minimums have been at the same level for 8 years while inflation has increased by 13% during that time. "We need to respond to growing living expenses. It is one of the last debts this Cabinet is paying," Deputy PM Hamáček said.

Feb 17 President Zeman is trusted by 51% of Czechs, but according to the CVVM, many Czechs are increasingly critical of his behaviour. While 59% of respondents said they appreciated the president's contact with the public and his awareness of people's problems, only 41% said the president conducted himself with the dignity that the post requires. 56% of respondents said he debased the Office of the President with his behaviour. 44% of respondents said they are happy with the way he represents the CR abroad, 51% were not.

The US ambassador King has warned Czech deputies against introducing a government-proposed digital tax of 7%, which would primarily hurt large US companies. In a letter to the ChD, Mr. King says a 7% tax is discriminatory and warns that the US could effect retaliatory measures. He says it would be wiser to wait for broader regulation agreed on by the OECD. Czech exporters also recently urged PM Babiš to reconsider the Cabinet's proposal to introduce a digital tax. They said they feared damage to Czech-American business relations and possible retaliatory measures from the US administration. The proposed digital tax of 7% would apply to Internet companies in the CR with a global turnover of over EUR750mn euro), and domestic sales of at least CZK 100mn/year for taxable services. It would hit companies such as Google, Facebook, Amazon and Apple. The tax, which should come into effect later this year, is expected to bring about CZK5bn a year to state coffers.

18 SVA and firemen have started putting down 140,000 birds at a commercial poultry farm in the Pardubice region. They are working in 12-hour shifts in protective gear with the aim of concluding the clean-up by February 21 when the farm will be disinfected and placed in quarantine for a fortnight. It is the second outbreak of bird flu in the CR after a 3-year period. Birds in private farms in the area are being tested within a 3km distance. Tests at another commercial farm in the region have ruled out the H5N8 virus.

The ODS are ahead of the Pirates and would finish second if parliamentary elections were held in January, according to the Median. The ANO retains a commanding lead in the polls, and would capture 30% of the vote. The ČSSD would gain 14% of the vote and the Pirates 11.5%. That represents a 1.5% rise in support for the ODS since November and a 1% for the Pirates. The KSČM would place 4th (at 8%), the SPD 5th (at 7.5%), the ČSSD 6th (at 7%), the STAN 7th (at 6%), and KDU-ČSK 8th (at 5%). TOP 09 (at 4.5%) would fall 0.5% shy of the threshold to enter parliament. The Greens and new Tricolour party are both polling at 2%.

Prague Airport handled a record 1.05mn passengers in January, almost 80,000 more in annual terms for the month. However, the coronavirus outbreak in China and local major storm Sabine is likely to negatively impact February figures. Passenger numbers have been growing steadily since 2013. Last year, airport handled a record 17.8mn passengers, up 6% yoy. The growth was due to more direct links to exotic holiday destinations as well as more connections to the most frequented European cities. The top destination was London.

The CC has rejected proposals put forward by President Zeman and others to annul part of a conflict of interest law popularly known as "Lex Babiš". The 2017 legislation was so nicknamed as it seemed to specifically target Babiš, the then MF Minister and current PM, who controlled a number of major Czech media. He has since placed those and other assets in 2 trusts. Despite a presidential veto, the bill was pushed through Parliament, leading Zeman to file a petition arguing that it was unconstitutional because it violates a prohibition on discrimination on the basis of property. Members of Babiš "Lex Babiš" prohibits members of the Cabinet from owning and operating radio and television stations and publishing periodicals. At the same time, it prevents companies in which cabinet members have at least a 25% share from bidding for public contracts. Zeman said through his spokesman that he respects the CC's decision.

19 China's Embassy in Prague had threatened to retaliate against leading Czech companies if a prominent senator went ahead as planned to visit Taiwan, according to a letter dated 10 January reviewed by Reuters. The letter, written in Czech and sent to President Zeman's office, suggested that Škoda Auto, PPF's consumer lending arm Home Credit Group, and instrument maker Petrof Pianos would all suffer. The debate was made moot when Czech senate chairman and speaker Jaroslav Kubera, died on 20 January of heart failure ahead of the planned trip. "Czech companies whose representatives visit Taiwan with Chairman Kubera will not be welcome in China or with the Chinese people," the letter says, according to Reuters.

ODS's Vystrčil was voted in as the new Speaker of the Senate.

If his ANO party does not win the next general elections, PM Babiš said that he will leave politics. The next general elections are to take place in October 2021. Mr. Babiš's party is currently firmly in the lead, polling regularly around 30%, with the Pirates and ODS vying for 2nd place at around 16%.

The Speaker of the Senate Vystrčil says that he is not opposed to a visit to Taiwan, but stressed that such a trip would first have to be discussed with experts. Answering questions ahead of his election, Mr. Vystrčil said that as the leader of the ODS's senate club and chair of the Senate, his priority will always be to defend the status of the CR as a country that defends human rights and freedoms, Aktuálně. cz reports. The question was put to the candidates after Aktuálně. cz published excerpts of a letter sent by the Chinese Embassy to the previous senate chair, Jaroslav Kubera, ahead of his planned trip to Taiwan. In it, China warns that leading Czech companies' business interests would suffer if the visit went ahead.

Feb 19 PM Babiš says he does not expect this week's exceptional EU summit to lead to a mutual agreement between the 27 states on the union's budget for 2021 to 2027. The positions of individual member states are simply too different, according to the PM who has described the proposed framework as favouring wealthier states. European Council President Michel called the summit in January, hoping member states will reach an agreement on the EU's Multiannual Financial Framework, stressing that failure to do so would jeopardise the continuation of current programs and policies as well as the launch of new ones.

Prague City Hall is asking Prague residents to report Airbnb flats to municipal police officers and any connected problems, the HN reports. If the property owner is not registered with a Trade Certificate, he may be liable to a fine of up to CZK 1mn. City Hall has been trying for some time to get Airbnb to share the details on the owners of the flats who are believed to often avoid paying tax for renting out their properties. Airbnb is one of the short-term letting platforms active in Prague, which has come under heavy scrutiny in recent years. Critics say that such platforms have moved from the original idea of a shared economy to a purely business venture, with up to 15,000 flats in Prague being rented out for this purpose, blocking flats for long-term rent as well as often causing unease for local residents who have to deal with loud tourists.

20 German Chancellor Angela Merkel is due to visit Prague in H1 2020, meaning during the current Czech presidency of the V4. The German leader had been invited to a summit of V4 PMs and would most likely come to the Czech capital in May. Chancellor Merkel's last visit to the CR was in October 2018, shortly before events marking the centenary of the foundation of Czechoslovakia.

21 A deputy Czech MFA Minister informed the Chinese ambassador to Prague that a letter sent by his embassy to the president's office warning against the consequences of a Czech Senate speaker visiting Taiwan was not standard diplomatic communication.

MH Minister Vojtěch has said it is high time to take a closer look at the pharmaceutical industry in the light of increasingly frequent fall-outs of various medicines. MH Minister Vojtěch said the coronavirus epidemic in China had revealed the risks of moving pharmaceutical factories to countries such as China and India in view of lowering the price of medicaments. This is a problem that is common to all of Europe and in the past 2 or 3 years the fall-outs of pharmaceuticals have got much worse, the MH Minister said, noting that the EU should take action to bring back at least part of the production and have greater control over medical deliveries.

22 PM Babiš has said the result of the EU summit in Brussels on the bloc's 2021–2027 budget, which ended on February 21 with no deal, will not threaten Czech economy or Czech firms as the CR was eligible to draw EU funds until 2023. Speaking after the summit, Mr. Babiš blamed the failure to reach agreement on the wealthier member states, accusing them of refusing to reach a compromise. The PM said a group of net contributors have obstructed any further progress by unfair requirement.

24 MH Minister Vojtěch has said he will convene a special commission in the wake of news that the coronavirus has spread from China to Italy. In early February, the Cabinet banned direct flights from China. Vojtěch said further restrictions and measures could be introduced. No-one has tested for positive for the coronavirus in the CR to date. A plane with Czech humanitarian aid for China took off from Vienna, MFA Minister Petříček said.

The Cabinet has backed a proposal to move the CzechTrade and CzechTourism agencies into the CzechInvest headquarters. The Cabinet also is considering later merging the 3 agencies, which aim to boost activity in their respective sectors. MIT Minister Havlíček says a merger would save CZK138mn over the next 3 years. The CCC argues simply merging the agencies without overhauling their activities is mere window-dressing.

The Cabinet has backed a bill to introduce class action to Czech law, thereby allowing people with identical or similar claims to assert these in court jointly, in single proceedings. Czech law to some extent already de facto allows for jointly asserting claims, for example in consumer disputes, but current regulation is rather fragmentary. The MJ, which drafted the bill, says it will reduce costs for all parties concerned, and reduce the administrative burden on courts.

25 Prague Airport is reserving special gates for arrivals from Italy, due to a coronavirus outbreak there that has claimed 7 lives, with at least 229 confirmed cases. Passengers arriving from Italy will be subject to targeted screening and other measures, the airport said. Italy is among the most popular holiday destinations for Czechs. The MFA recommended travellers not visit northern Italy.

Czechs are being held in quarantine on the Spanish island of Tenerife in connection with the Covid-19 virus. Czechs who arrived from Iran at Prague Airport were taken for preventative tests to the city's Na Bulovce hospital. People in the South Bohemian Region have been ordered to stay in quarantine at home for a 2-week period. Similar restrictions were placed on 1 person in South Moravia. All of those placed in quarantine have returned from a region of Italy where cases of the coronavirus have been recorded. The NSC is meeting to discuss the situation surrounding the disease on March 25.

The percentage of Czechs who are "satisfied with their lives" has grown in recent years, according to the STEM. Some 85% of respondents answered in the affirmative, with the remainder saying they were dissatisfied. STEM says it has traced a gradual increase in satisfaction levels since 2015. Last month's rate was the highest recorded since 1994, it said.

Feb 25 2 people were charged following the intervention at the MLSA, reportedly including MLSA Minister Maláčová's deputy for the economics and IT. The pair have been suspended in connection with the arrests, which are linked to an IT contract. President Zeman described the situation as a mess while the PM Babiš said it was a major problem and that he would demand an explanation from the MLSA Minister.

26 The NSC has recommended that Czech citizens not visit the Italian regions of Lombardy and Veneto because of an outbreak of Covid-19. People should also weigh up going anywhere abroad at the present time in view of the coronavirus epidemic, PM Babiš said. Its members did not consider curtailing large arts or sports events in the CR. The PM said any Czechs who returned from abroad and started feeling symptoms consistent with those caused by Covid-19 should immediately contact a doctor, ideally by telephone. The MFA Minister Petříček called on Czechs planning to travel to other countries to register with the MFA through a voluntary system on its website.

A group of European MEPs has arrived in the CR with the mission to investigate the facts surrounding PM Babiš' alleged conflict of interest and find out how Czech authorities deal with money from EU funds. The delegation, led by the EP's Chair of the Committee on Budgetary Control Hohlmeier, will be meeting with representatives from relevant Czech ministries as well as the head of the SAO until February 28. The MEPs earlier request to meet with Mr. Babiš himself was declined by the PM, who said it would not correspond to the professional nature of the delegation's visit.

MFA Minister Petříček says all constitutional officials should agree on the CR's official stance towards a January letter from the Chinese Embassy which warned Prague China could harm Czech business interests if a planned Senate trip to Taiwan went ahead. After meeting with Senate Speaker Miloš Vystrčil, Mr. Petříček said that he will prepare a draft statement which will then be discussed with other officials in March. Thus far, some officials have condemned the letter, while others have chosen not to comment. China sees Taiwan as a breakaway province to be reunified with the mainland one day and therefore protested vehemently in the letter to what it saw as an "extremely inappropriate" trip that "carries the signs of an official visit".

Czech hospitals will need to establish a 4-month supply of face masks in light of the threat from the coronavirus known as COVID-19, PM Babiš said. The PM reiterated that the CR has no confirmed cases of the virus yet and said the state was prepared to handle the side effects if quarantine was instituted in any Czech city. He went on to say that a military hospital in Tichonín can be converted into a specialised hospital to handle COVID-19 patients within 12 hours if the situation demanded it and that the Cabinet has concrete plans on how to proceed in case of an outbreak and that these will be further discussed at the NSC meeting. COVID-19 cases have been detected in neighbouring Austria and Germany. 3 Czechs are currently in quarantine after returning from foreign destinations where COVID-19 was detected.

The long-term outlook for the CR's public finances is worsening due to the CR's population ageing, the EC warns in its latest socio-economic analysis. The study says there have been insufficient steps towards ensuring long-term budget sustainability in the Czech health and pension systems. On the other hand, the EC analysis says that the CR's labour market remains strong, with wage growth supporting consumer expenditure being the main engine of economic growth. However, an insufficient amount of labour and higher salary expenses could slow down growth.

27 The Central Epidemiological Commission met to discuss measures which would be implemented in the event of the spread of the coronavirus to the CR. MH Minister Vojtěch warned against mass panic and food hoarding. He said doctors had been given instructions how to deal with suspected cases of coronavirus infection and that face masks would be available within a fortnight. More than 135 people have so far been tested for the COVID-19 virus with all results negative. However, a number of Czechs who have returned from high risk areas in northern Italy are in quarantine and preventive measures are in force at the CR's international airports. With the spread of the virus to more European countries Czechs have been buying up face masks and have started hoarding food in the event of a crisis. Some companies have ordered employees who have recently been to Italy or Asia to work from home for a fortnight.

Prague Airport says the coronavirus scare has reduced the number of outgoing and incoming flights by around 25 a day. A further decline is expected in the coming weeks. All direct flights to and from China were suspended at the beginning of February and as of February 27, CSA suspended all direct flights to South Korea. The airport has introduced monitoring of passengers arriving from other destinations where the coronavirus has been confirmed and passengers from northern Italy go via a special gate attended by medics.

29 A group of European MEPs which visited the CR to investigate the facts surrounding PM Babiš' alleged conflict of interest and the use of EU funds, has concluded that there are no reliable mechanisms in place to identify a conflict of interest. Ms. Hohlmeier said the team was departing with more unanswered questions than they arrived with and that a thorough analysis of the situation was needed. Czech MEP Zdechovský, who was a member of the team, and who originally pointed to the problem in the CR, said laws against money-laundering were also being applied inadequately.

Feb 29 The PMs of the V4 states will meet in Prague to discuss measures being taken to prevent the spread of coronavirus. Polish PM Morawiecki said, it was important for Poland, Hungary, the CR and Slovakia to boost cooperation and coordinate measures to try and protect the region. No V4 country has so far registered a coronavirus infection.

The Cabinet has sent a warning to Czechs travelling in high-risk areas of the danger of coronavirus infection and given them directions on how to behave upon their return. People returning from high-risk areas are being asked to stay at home and contact their GP who will then decide on a further course of action. Those without symptoms will remain in quarantine at home, those showing signs of the disease will be tested. 307 Czechs are currently in quarantine, most of them after returning from northern Italy. No case of coronavirus infection has so far been registered in the CR.

Mar 1 First 3 cases of coronavirus infection reported in the CR.

2 The NSC has adopted further travel restrictions and other measures aimed at halting the spread of coronavirus in the CR. The NSC announced that flights to and from South Korea would be suspended as of March 3 and further restrictions on connection with the northern Italian cities of Milan, Venice, Bologna and Bergamo would be put in place following EC approval.

3 Computers linked to the network of the Prague Castle Administration have been hacked by actors outside the CR. Experts said that data from computers at the seat of President Zeman had been leaking to IP addresses abroad for at least a number of months. However, it is not clear what kind of information the hackers may have acquired. The network also involves the president's residence at Lány. Mr. Zeman's spokesperson has refused to comment on the case, which is being investigated by the OPDP.

4 More than 1/2 of Czechs are unhappy with PM Babiš, the makeup of the current Cabinet and what his Cabinet does, according to the CVVM. Meanwhile, 42% of Czechs said they were happy with the PM and 44% had a positive view of his cabinet's work. However, just 36% said they were happy with the composition of his Cabinet. Mr. Babiš's Cabinet is viewed more favourably than the previous Cabinet under the leadership of Sobotka, when it was in its 3rd year of rule. The amount of people unhappy with the PM as registered by the survey was 51% as opposed to 52% now.

Vietnamese airline Bamboo Airways has decided to delay the launch of its new Prague-Hanoi flight connection by a month, due to a downfall in demand following the coronavirus epidemic. The original plan was for the line to fly 2x a week starting from the end of March. Other airlines have also begun limiting their flight connections to Asia.

5 The Cabinet ban on flight connections from CR to Northern Italy and South Korea, in view of these regions being heavily affected by the coronavirus known as COVID-19, has gone into effect on March 5. The ban concerns around 50 flights made to the regions every week, including popular destinations such as Venice and Bologna. A ban on flights to China has been in effect for some time already.

6 Former Czech MD Minister Šedivý was appointed new Chief Executive of the European Defence Agency. He will assume office in April.

The average gross monthly salary in the CR increased by 6.7% in the Q4 2019 to 36,144, according to the CSO. In real terms, taking into account inflation, wages increased by 3.6%. However, 2/3 of Czech employees earn less than the average wage. The median wage, a midway between the highest and the lowest levels, was CZK 31,202, up by 6.6% compared to the same period last year. Some 80% of employees earned wages between CZK 15,365 and CZK 58,398. As for salaries in the capital, Prague, the average monthly wage reached CZK 44,237 in the Q4 2019.

9 The unemployment rate dropped to 3% in February, after rising slightly for 2 consecutive months, the LO announced. The number of jobseekers dropped nearly 3,000 to 227,369, the lowest number since February 1997. In the Prague region, unemployment stood at 1.9%, as usual the lowest level in the CR. The Moravian-Silesian region had the highest level of unemployment at 4.6%.

The CR's foreign trade surplus fell by CZK 2.4bn yoy in January to CZK 15.1bn. The drop stemmed mainly from imports of computer, electronic and optical equipment, and refined petroleum products. Car exports remained robust, the CSO said. The Czech trade balance with EU member states ended in a surplus of CZK 72.6bn. The trade deficit with non-EU countries deepened by CZK 2.3bn to CZK 56.1bn.

The MH has banned visits to general hospital wards and senior homes, with some exceptions, as of March 10. The ban is among the emergency measures aimed at containing the spread of the coronavirus.

10 China should replace its ambassador to Prague due to a threatening letter sent to Czech authorities, PM Babiš has said, a position which may further strain bilateral relations. The issue is due to be discussed on 11 March at a regular meeting on foreign policy between the Czech president, PM, MFA Minister and the speakers of both houses of Parliament.

Mar 10 The NSC has decided to close all primary and secondary schools as of March 11 to try to contain the spread of coronavirus, PM Babiš announced. A ban on public events with over 100 people attending goes into effect on March 10 evening. Universities have also cancelled classes. MH Minister Vojtěch said it is necessary to be take active, exceptional measures at the start of an epidemic. Kindergartens and pre-school will remain open, he said, because young children are far less likely to contract the new coronavirus, and such closure would greatly impact their parents.

The NIPM has closed all year-round heritage sites until further notice and postponed the opening dates for seasonal sites indefinitely.

The average net income for a Czech household is nearly 7% higher than in 2017, but the number of people at risk of income poverty has also risen, the CSO said. Last year, 10.1% of the population, about 1.06mn, were at risk of income poverty, meaning they earn less than 60% of the median net income. Compared to 2018, an additional 50,000 more people are at risk, the CSO said, while noting that the CR is among the best-performing countries in the EU in this regard.

Average housing prices in Prague and large regional cities grew by 6.9% yoy in Q3 2019, to CZK 60,700/m², a study by the consultancy Deloitte shows. The biggest price increases were in Zlín (+18.9%), Ústí nad Labem (+15.7%) and Hradec Králové (+13.3%). Prices dropped most in Olomouc (-6.2%), Brno (-4.3%) and Pardubice (-1.8%). Prague housing prices stood at CZK 85,400/m² on average in Q3. The average price of a new apartment in Prague has risen by 90% since mid-2015, Deloitte says. The most expensive apartments were sold in Prague 1 (CZK 141,000/m²) and Prague 2 (CZK 116,100/m²). The cheapest were in Prague 9 (CZK 75,300/m²) and Prague 4 (CZK 76,000/m²).

- 12** The CR's top constitutional officials have released a joint statement rejecting pressure from China and condemning threats of retaliatory measures. The statement was issued in response to a letter from Prague's Chinese Embassy warning of consequences if the then speaker of the Czech Senate went ahead with a planned trip to Taiwan. Current Senate speaker Vystrčil said the top officials did not have uniform views on China and had to take a show of hands on the final wording of the statement. Having previously said he was in favour of the removal of the Chinese ambassador to Prague, Mr. Vystrčil said he had been voted down.

The MFA has advised Czech nationals currently visiting the USA to consider returning home as soon as possible in view of the US administration's decision to ban EU nationals from entering the USA for a period of 30 days.

The Cabinet has declared a state of emergency in response to the coronavirus epidemic. A special regime is introduced on the CR's borders with Austria and Germany from midnight on March 13. Under those restrictions people will only be able to enter or leave Czech territory via 11 border crossings. Foreigners from high-risk countries will be banned from entering the CR and Czech nationals will be prohibited from travelling to high-risk destinations. Foreigners will not be able to enter the CR from Germany and Austria. The MI will stop issuing all visas until further notice. Czechs abroad will be able to return to the CR. Those returning from high-risk countries will be automatically quarantined. Pubs and restaurants will have to close by 8pm. Gyms, swimming pools and other sports facilities, clubs, galleries, and libraries will be closed as well as eateries in shopping malls.

- 13** Czechs abroad will be allowed to return home but those returning from "high-risk" countries will be quarantined for 14 days. The "high risk" states are: China, South Korea, Iran, Italy, Spain, Austria, Germany, Switzerland, Sweden, Norway, the Netherlands, Belgium, the UK, Denmark and France.

Intentional spreading of the coronavirus has been classified as a criminal offense punishable by law. MJ Minister Benešová issued an edict placing COVID 19 on the list of infectious diseases which present a serious public health threat. The new classification has been approved by the Cabinet.

The air carriers Smartwings and CSA are suspending all flights from and to the CR for the duration of the government ban on travel. They will ground 23 planes at the CR's 4 international airports. As of midnight March 15, international passenger trains and busses will not be allowed to cross the border. Freight trains will be allowed free passage.

- 14** The Cabinet has ordered the closure of all shops with the exception of grocery stores, pharmacies, drugstores and petrol stations effective as of 06:00 March 14. This new measure to combat the spread of the coronavirus is scheduled to last until 06:00 March 24. The Cabinet has also closed restaurants and other food service establishments, with the exception of employee catering. Games and casinos will also be closed from 06:00 on March 14.

- 15** The MFA has begun sending buses to pick up Czechs stuck abroad due to the ongoing emergency measures. Czechs abroad who cannot return home due to flight and general travel restrictions are encouraged to contact their embassy to get more details on possible transports.

- 16** The CNB has adopted measures to mitigate the impacts of the coronavirus epidemic on Czech firms, businesses, and households. At its monetary policy meeting, the CNB lowered the 2-week repo rate by 50 basis points to 1.75%. At the same time, it lowered the Lombard rate to 2.75% and the discount rate to 0.75%. The vote was unanimous. The change in rates takes effect on March 17, 2020. In addition, the CNB declared that it was ready to cut interest rates further should the economic situation so require.

Mar 16 The NSC has decided to severely limit free movement in the CR from midnight March 16 to 06:00 March 24 in order to limit the spread of the COVID-19 coronavirus epidemic. PM Babiš stressed that this is not a ban on leaving the house, but simply an attempt to limit people to going to work, shop for supplies and spend the rest of their time home. A 2m distance is to be kept between individuals. Exemptions from the "ban on movement", as the PM dubbed it, are: going to work and moving for business purposes; necessary visits of family and loved ones; purchases of food, vital supplies, fuel and medicine; use of necessary financial and postal services; providing services for others, such as neighbourhood assistance or volunteering; the necessary escorting of relatives; urgent official matters; for police, health care or social care staff; for those in the supply and distribution services; veterinary care; walks in nature and parks; funerals.

The authorities have locked down 21 towns and villages in the Olomouc region which have seen a significant increase in coronavirus cases. Their inhabitants are not allowed to leave town, with the exception of emergencies, and no one is allowed in, except for paramedics and services. Over 1,000 people have been quarantined in the area.

17 Government officials, employers and TUs agreed to extend the period over which parents can take leave of absence from work to care for their children for the duration of the coronavirus epidemic which has closed schools around the CR. Under Czech law parents are allowed 9 days leave to care for sick children under the age of 10 and receive 60% of their salary, for single parents it is 16 days. The period of leave is to be extended for the duration of the crisis. The tripartite also agreed on compensation for employees who were forced to close their shops, restaurants or other facilities and services under the government measures to fight the spread of the coronavirus.

The economic impact of the coronavirus pandemic will be staggering, according to the CzechTourism. Entrepreneurs in the tourist industry are no longer thinking about how to minimize the damage, but how to survive. Prague, which attracts 2/3 of the CR's foreign tourist will be hardest hit, but Western and South Bohemia as well as South Moravia also expect significant losses. The long-term outlooks are totally unpredictable, when the worst is over, domestic tourists could help revitalize the industry.

The restrictions introduced by the Cabinet to fight the coronavirus epidemic will result in losses estimated at around CZK2bn a day. The hardest hit will be retailers, with the exception of food stores, aviation and transport companies, restaurants and accommodation providers. Economists say there is no immediate threat of big lay-offs, and the CR further has the advantage of having the lowest unemployment rate in the EU.

18 Long lines of trucks have been forming on the open border crossings with Poland and Slovakia since the two countries introduced strict border controls in connection with the coronavirus pandemic at the start of this week.

19 A number of measures came into effect in the CR as part of the Cabinet's efforts to curb the spread of the new coronavirus. It is now compulsory to cover one's mouth and nose anywhere in public while food retailers and pharmacists are only permitted to serve customers aged 65 or over between 10 am and noon every day. Spa facilities have been barred from accepting new clients.

The number of flights to and from Prague Airport continues to fall. On March 19 there were 110 scheduled arrivals and departures, which is around 70% below the usual.

20 Confidence in the Czech economy dropped by 3.2 points to 93.1 in March, according to the CSO. It is the steepest mom decrease registered since November 2011. The CSO says the drop, registered both among entrepreneurs and consumers, is the first sign of growing fears regarding the economic impact of the coronavirus pandemic.

The Cabinet has approved the appointment of General Řehka head of the NCISA.

The CR should get regular deliveries of medical supplies from China over the next 6 weeks to help tide over its needs in the fight against the coronavirus epidemic, Deputy PM Jan Hamáček said.

The US authorities have approved a Czech request for a patient in critical condition in Prague to be treated with the experimental drug Remdesivir made by Gilead Sciences. The MH has approved the use of the experimental drug on a case-by-case basis for a period of 6 months.

In view of the increased costs from the coronavirus pandemic the Cabinet is expecting a budget deficit of up to CZK200bn this year, PM Babiš said. The Cabinet is counting on a steep drop in projected revenues and a significant increase in expenditures. It is currently preparing an aid package for SMEs and will need to inject billions into the economy during and after the crisis. It is now paying nursing care to millions of people who are at home with their children due to the closure of schools. Billions of crowns are being spent on protective and medical equipment to tackle the coronavirus crisis.

21 2/3 of Czechs consider the measures taken by the Cabinet to fight the coronavirus epidemic as "adequate" with regard to the threat posed, according to the Kantar CZ. 80% of respondents said they approved of the measures introduced. The majority of people said the restrictions were „tolerable“. 1/3 of respondents said the measures should have been even tougher. As regards the Cabinet's performance during this crisis, 11% rated it as "excellent", 30% as "very good" and 39% as "good".

- Mar 21** Stricter measures are in place for cross-border workers as of midnight March 20. Cross-border workers employed within a 100-km distance in Austria or Germany will have to have a certificate from their employer, freshly stamped every day to confirm they have been to work. The document will be checked by police at border crossings. The measure was introduced because some people abused the exemption for cross border workers to travel out of the CR and back. The local authorities in western and southern Bohemia were so concerned about the situation they called on the Cabinet to scrap the exemption.
- 22** The MFA will send 4 evacuation planes to repatriate Czech nationals from the Baltic states, Egypt, the Philippines and Vietnam. The planes should bring back around 700 people, of which 600 are Czech nationals, the rest citizens of other EU member states. The MFA has urged Czech nationals who are stranded abroad by the coronavirus crisis to contact the nearest Czech embassy or consulate and ask for help. They have also been encouraged to try to get on a flight back to Europe, ideally to the EU.
- 23** The Cabinet is planning to extend the restrictions on movement introduced on March 13 in connection with the coronavirus epidemic until April 1, PM Babiš said. The Cabinet should vote on the extension at its session on April 27. It is also expected to discuss the introduction of a Kurzarbeit program – a short-time working arrangement in which civilian employees agree to or are forced to accept a reduction in working time and pay, usually introduced in times of recession. In this case it would serve to keep the economy going in the face of severe coronavirus restrictions. The Cabinet is also expected to extend the ban on travel to cross-border workers, who thus far has an exemption.
- 25** Nearly 1/5 of all Czechs do not have the financial reserves to last even a month if reduced to living off their savings, according to the Ipsos. A further 40% said they regret not having saved up more for an emergency. Most of the respondents in the group whose savings are too low to last a month were people below the age of 35. 1/4 of those questioned by the survey said that they have the money to survive for half a year, while 30% said they would be able to last for 3 months. Just over 1/4 said they would not be able to finance themselves for more than 1 month.
- 26** The Cabinet has passed a new measure in the fight against the coronavirus epidemic. Namely, that only 2 people can be out together at once. While the order came into effect on March 24 as part of the extension of the quarantine period until April. However, it only came to the awareness of the general public and media after the Cabinet informed of the new measure on March 25. Those excluded from the measure are members of the same household, funeral attendees, or those working and conducting business activities.
1/3 of Czechs can work from home and about 28% currently do so. 1/2 the respondents said they are “equally productive” at home as at work. 1/4 said they are “more productive” at home. Nearly 10% believed they could be “equally productive” working at home if allowed by their employers to do so.
New restrictions go into effect on March 26 for Czechs commuting to work in Austria and Germany. They are now required to remain in those countries for at least 21 days. Upon return, they will be quarantined for 14 days. Czechs working in health, social services and emergency services abroad are not subject to the new rules. But they will need to show proof of such cross-border employment. Violation of such rules is a criminal offence. Salaries in Austria and Germany are typically far higher, and many Czechs living in border regions had commuted abroad for work on a daily basis before the coronavirus outbreak. The same rules apply to Czechs working in Slovakia and Poland as before. They must commute at least 3- times a week in one direction and their place of work must lie within 100km of the border.
The CNB cut the main interest rate by 0.75% to 1%, following a surprise having cut of 0.5pp on March 16. A wide majority of analysts had expected that CNB would cut rates by only 0.5 pp. The aim is to mitigate the negative impact of the coronavirus pandemic for Czech companies and households. After the rate cut the crown extended losses while the MF sold huge amounts in debt tenders for a second day as it ramps up borrowing.
- 27** The average monthly salary for teachers rose to CZK 40,111 last year, up 14.9% in annual terms, according to the MEYS. By comparison, the average salary increased by 7.1% last year to CZK 34,125 per month. The average salary of non-teaching staff in the education sector rose by 11.6% last year to CZK 21,786. The MEYS has not yet published statistics on salary increases according to various types of schools. In its policy statement, the Cabinet pledged to raise salaries in the education sector to 150% of their 2017 level by the year 2021. For teachers, that would be around CZK 47,322.
The Škoda Auto has announced it will prolong its halt on manufacturing until April 14 due to the ongoing coronavirus pandemic. Originally, production was supposed to restart from April 6. the manufacturer says that the move is a reaction to low demand caused by the closure of sales facilities in the CR and across many other European states. Employees have been receiving 70% of their normal salaries since March 18 as compensation. Next week the sum is to be lifted up to 75%.
- 30** The authorities have lifted the lockdown on 21 villages in the Olomouc region a fortnight after it was introduced. The lockdown ended on March 29 at midnight following a significant decrease in the number of coronavirus cases registered.

Mar 30 The CCC has welcomed the government's COVID 19 aid package for employers and entrepreneurs but stressed that they should be better informed as regards the conditions under which they can ask for help. 2/5 of Czech businesses plan to make use of the kurzarbeit scheme approved by the Cabinet. Almost a 1/3 of enterprises say they have exhausted their financial reserves. 1/4 companies have stopped paying their suppliers. So far, 7% of respondents have laid off workers – of that 17% in the restaurant business and 14% in tourism. Close to 35% of companies in the manufacturing industry are also considering redundancies in the future.

The Cabinet extended the restrictions on movement and business taken to combat the spread of the coronavirus until April 11. People should stay at home as much as possible with the exception of trips to work, necessary visits of family and loved ones and purchases of food, vital supplies, fuel and medicine. The restrictions on shops, restaurants, pubs, cafes, galleries, sports facilities and other institutions will also remain in place until April 11. All persons returning from abroad will be placed in a 2-week quarantine, but the measure will not affect cross border health workers, fire crews, social workers or diplomats.

31 The Cabinet has unveiled the detail of an emergency aid package for entrepreneurs and employers to mitigate the impacts of the coronavirus crisis. These include a 6-month moratorium on mortgage and other loan repayments and the sum of CZ 25,000 for all who were forced to close their businesses within the restrictions imposed by the Cabinet. The kurzarbeit system, approved by the Cabinet earlier to try to prevent massive lay-offs, should be launched on April 6.

Apr 1 A plane carrying Czech citizens who were stranded in the United States by the coronavirus crisis was organised by the MFA. No other repatriation flights from the USA have been planned for the present time.

The ANO would win elections to the ChD with 30.8% voter support, according to the STEM. The Pirates would come 2nd with 15.2%, followed by the ODS with the backing of 11.8% of voters. Some 8.6% of respondents said they would cast their ballots for SPD, 7.4% would back the KSČM and 7% would support the ČSSD, the survey indicates. The STAN and the KDU-ČSLs would just cross the 5% threshold needed to win seats in the ChD.

2 Shops with household goods, which offer protective equipment, can open again in the CR. The exception was approved by the Cabinet. It is another exemption from the closure of all shops in the CR, which is to remain in effect until April 11. The exception includes grocery stores, pharmacies, drugstores and petrol stations. Other shops exempted from the closure include consumer electronics, florists, newspapers, magazines and tobacco products, and also pet shops and glasses shops. Banks and post offices are also untouched by the ban.

Fuel prices in the CR continue to drop. The price of the best-selling petrol, Natural 95 dropped on average by 93h to CZK27.90/l in the past week, the lowest price since April 2016. At some petrol stations it is selling for CZK23/l. The price of diesel dropped by 64h to CZK27.96/l.

3 The trust of the Czech public in the nation's army and police force is at its highest since 1997, according to the STEM. Some 78% of Czechs trust their armed forces, which regularly rank among the CR's most trusted institutions. The same ratio of the public expressed their trust in the police this year, the highest score in public opinion for the institution thus far. The CNB also ranked high with 72% of respondents saying they trust the CR's leading financial institution. More than ½ of the population, 56% to be exact said they trust President Zeman. Meanwhile the ChD, the Cabinet and the Senate ranked in the mid-40s as far as trust was concerned.

Supermarkets with a capacity larger than 200m² could open to the public during the Easters, the ČOI said. The loosening of the state-wide quarantine measures would only be allowed for supermarkets selling foodstuffs.

Around 100 Czech tourists returned back home from the quarantined Tyrol region in Austria on March 10 morning. Their return trip was organised by the MFA, which sent a special convoy composed of a bus and several cars. The Czechs were stranded in and around Ischgl und Sankt Anton, areas which have been quarantined and deemed high risk during the ongoing coronavirus pandemic. More Czechs are expected to return from the region later in the day. Further repatriation flights from Sri Lanka, New Zealand and Australia will take place within the next 2 weeks. Nearly 4,500 Czechs have been repatriated through MFA organised transports since the outbreak of the COVID-19 pandemic. According to MFA Minister Petříček there are still some 2,500 Czech citizens abroad who are asking to be repatriated.

Some 50,000 COVID-19 testing kits will be transported into regional depo stations across the CR by police helicopters this weekend, MI Minister Hamáček said on March 10. This, he said, will ensure that all deposits have tests available. Furthermore, the state will also begin distributing Czech made protective masks to the regions. According to the MI Minister, there is now a sufficient supply of face masks and respirators in the regions. However, there are complications with some of the materials needed for the production of testing kits, he said. Deliveries of medical equipment from China will continue, with Czech relevant companies focusing on the production of high-quality equipment.

Czechs have donated millions of crowns through crowdfunding schemes aimed at raising money for purchasing medical equipment such as ventilators and face masks, or to support the hardest hit small time entrepreneurs, who have lost their income due to quarantine measures aimed at stopping the spread of COVID-19, iDnes.cz reports. For example, some CZK14mn were raised to buy 500 ventilators for Czech hospitals on the website Donio. A further CZK3mn were raised to buy high energy foodstuffs for health care staff.

Apr 4 The CCS is planning a representative survey of the degree of coronavirus infestation in the population. Thousands of people are to undergo testing in selected parts of the CR: Prague, Olomouc and South Moravia. According to the IHIS, there could be over 2000 people in the CR who are not aware of being COVID positive since they have no symptoms. This is a grey zone in the population which we are trying to map in view of improving out prediction models, IHIS said. Blanket testing is not necessary, Deputy MH Minister Prymula said in an interview with the DTV online station earlier. A sample of roughly 17,000 people in selected regions will be tested, which will yield more accurate data on the spread of the virus in CR, he added.

The smart quarantine project now being tested in South Moravia will be extended to North Moravia and Prague at the end of next week. After Easter, the project is to be applied nation-wide and should gradually replace blanket restrictions. The plan involves tracing past contacts of people who test positive for the virus 5 days back by creating “maps of their movements” with the help of banks and mobile phone operators. All those who they came into contact with are tested and quarantined until cleared. The plan is being implemented with the help of the army in order to speed up testing.

5 MLSA Minister Maláčová has said it may be necessary to place all seniors who are COVID positive in hospital. She also stressed the need for priority, blanket testing of seniors and employees in old age homes and institutions for long-term care.

6 The CCS will recommend that the Cabinet lift a ban on leaving the CR from April 14. However, people will only be allowed to exit the CR in justified cases, the head of the CCS Hamáček said. The CR's borders would remain closed under such a change, Mr. Hamáček said, adding that selected frontier crossings would continue to operate. Anybody who leaves the CR will need to go into quarantine if they return. A prohibition (with exceptions) on residents of the CR leaving and on foreigners entering the CR is due to run until April 12. A ban on travel to “risk” states entered into effect on March 14; 2 days later it was extended to all countries.

7 The ChD has voted to extend the current state of emergency until April 30. PM Babiš had asked MPs to keep the measure in place for a second 30-day period, meaning until May 11. However, government figures had earlier signalled that they would be satisfied with an extension till the end of April, a date preferred by a number of opposition parties. The Cabinet initially declared a state of emergency in an effort to contain the coronavirus epidemic. During a debate lasting several hours, the Cabinet faced criticism from the opposition as well as demands for a clear plan of return to normal life in the CR. MH Minister Vojtěch said that this would occur after Easter. MI Minister Hamáček told the ChD that the current situation was the biggest security challenge to the CR since World War II.

The MH has extended the closure of most shops and restaurants and a prohibition on the free movement of people until the end of the current state of emergency imposed in a bid to combat Covid-19. The measures in question had been due to run out on April 11. Following a recommendation from the CCS, the cabinet asked the ChD to extend the 30-day state of emergency brought in on March 13.

Restrictions on sporting activities imposed in the CR over the coronavirus pandemic were eased on April 7. People are now allowed to play individual sports outdoors while runners and cyclists no longer need to cover their mouths and noses unless they are in crowded areas. The changes were announced by Deputy PM Havlíček. From April 9 building products and hardware stores and bicycle repair shops will be allowed to reopen. A new rule governing social-distancing of 2m in shops will also come in on April 9. This does not apply to relatives or those assisting seniors.

8 The ChD voted in favour of a government proposal to extend the rights of the CNB on April 8. These include greater freedom in trading shares, for example through buying more foreign bonds and an increased number of entities with which trading can take place. If the bill passes through the Senate and is ratified by the president, these new capabilities would be in place until the time limit of the legislation runs out in 2021. CNB president Rusnok stated previously that increased freedom when it comes to purchasing bonds and shares may become necessary to ensure currency and price stability.

Škoda Auto has decided to extend the production halt within its 3 Czech factories to at least April 27. Škoda has halted production of its cars in CR since March 18 due to the ongoing coronavirus pandemic. Originally supposed to last until early April, the halt on manufacturing has since had to be extended twice.

Government packages and support measures aimed at helping the economy are seen as insufficient by 72% of businesses, according to the CI. Since the crisis began, nearly 1/3 of Czech businesses have been forced to decrease production by more than 20%, while 1/10 have had to end production completely. Despite the difficult situation, close to 1/2 of all respondents said that they do not plan to lay off a single employee, fearing the prospect of lacking skilled labour once the crisis dissipates. However, they need government emergency schemes such as salary contributions to be paid out in as short a time as possible, says CI.

The CR has managed to stop the uncontrolled spread of the COVID-19 coronavirus and the CR can start returning to normal affairs, MH Minister Vojtěch said on April 8. Original projections saw 14,200 infections by the end of April, but have now been revised to 10,600. According to the IHIS, the total number of infections in the CR is unknown. However, it said that despite an increase in the amount of testing, the graph depicting the increase in transmissions is going down from 11% to around 5%.

Apr 9 Medical equipment worth a total of CZK25mn will be sent to a select number of states including Georgia, Cambodia, Moldova and Ukraine. The MFA Minister said Czech companies and know-how would be used as part of the aid package which seeks to help in the fight against COVID-19.

The Cabinet has taken a further step in loosening its measures aimed at containing the spread of the COVID-19 coronavirus, allowing certain non-essential stores to open from April 9 morning provided that they adhere to strict hygienic measures. DIY retailers, ironmongers and bicycle shops can now sell wares to the wider public. However, visitors are required to keep a 2m distance between each other and disinfectants need to be available to them on the spot. Aside from face masks, staff are also required to wear gloves. A special expert team will discuss further openings of some shops, such as bookstores, during the Easter period, MIT Minister Havlíček announced on April 8.

Losses to the Czech tourism industry resulting from the ongoing coronavirus pandemic are expected to reach CZK50bn by the end of April, but could be as high as CZK75bn if tourism associated services are included. 95% of hotels, spas and 3/4 of all restaurants in the CR are currently closed. Cultural sites and information centres are also closed. 4 associations made up from these affected businesses have proposed a series of measures to counter the damage in a plan sent to the Cabinet last week with primary focus given on preserving jobs and the survival of related businesses.

As of April, LOs in the CR have registered 27,151 people seeking to find employment, MLSA Minister Maláčová said, a nearly 2-fold increase compared to the first week of March before the Cabinet severely restricted movement and the operations of businesses in order to curb the spread of the coronavirus. Despite this, at 3%, the unemployment rate remains the same as it was in February.

- 10** From April 10, care homes and similar institutions in the CR will begin regular testing of their employees. Tests have to take place every 2 weeks and kits are to be supplied by the respective local regional administrations, the MH ordered on April 9. Social care workers and members of academia have been calling for such tests for some time already as seniors and those with chronic diseases are particularly at risk from Covid-19.

A report by the EP's Committee on Budgetary Control, made following a fact finding visit by committee members to the CR, confirms that PM Babiš has a conflict of interest due to his continued influence on Agrofert. The ČTK, which gained a copy of the report, says the committee concludes that the situation must be dealt with and the CR must return the EU funds lost as a result of this conflict of interest as soon as possible. The recommendations of the committee are not binding, but will be taken into consideration when the EP debates the issue.

- 11** MH Minister Vojtěch has said it is likely that Czechs will be able to stop wearing face masks in June. He said shops would gradually reopen in the coming days and weeks with services fully restored within a month, bars and night clubs would not open before the summer, restaurants a bit sooner. Meanwhile, the CR's leading epidemiologist, Deputy MH Minister Prymula expressed concern over the behaviour of certain individuals with the loosening of restrictions over Easter. He said people were gathering around stalls, eating and drinking fast food without face masks. He said this risky behaviour could present a dangerous setback in the war against the virus.

- 13** Almost 3/5 of Czechs are feeling the economic effects of the coronavirus pandemic and related measures. 5% of respondents said they had lost their jobs, and 63% said they were forced to economize or had financial problems as a result of the restrictions. 26% of Czechs are on home office, 22% now only work part-time. 1/10 respondents said they were on lower salaries due to nursing care due to the closure of schools and kindergartens.

- 14** Hyundai in Nošovice resumed production on April 14 after a 3 week break due to the coronavirus pandemic. It is the 1st large company in the CR to do so. According to Hyundai, the plant will initially operate on 2 shifts instead of the usual 3 shifts and adhere to strict hygiene norms. To ensure a smooth start, the company is reported to have stocked-up on car parts contrary to the standard practice of producing vehicles "just in time", according to customer demand. Hyundai said this was done in view of the security regime, particularly with regard to border measures, which could delay deliveries.

A blanket screening of selected parts of the population for the Covid-19 virus is due to start after Easter to ascertain how many individuals have undergone the disease without showing any symptoms. The screening will be undertaken with the help of so-called rapid tests based on detecting anti-bodies to the virus in people's blood samples. The tests are to be conducted on several hundred people of all ages. The result should give the health authorities valuable information regarding the degree of herd immunity achieved and is likely to influence the speed with which the government restrictions will be eased.

As of April 14, Czechs may travel abroad but only in exceptional cases and for "substantiated" reasons. According to government regulations, people will be allowed to leave the CR for business reasons, to see a doctor or close family on urgent matters. They will be registered and will have to undergo a standard 14-day quarantine upon their return. However, in view of the international situation borders remain closed and foreigners are still banned from entering the CR. Details of the new regulation can be found on the MI's website.

Apr 14 The Cabinet has unveiled a phased-out plan for easing the coronavirus restrictions in the coming weeks. The gradual reopening of shops and services will take place in 5 stages between April 20 and June 8. Farmers markets, craftsmen and used car sales will be able to open as of April 20 under strict hygiene conditions. Shops of up to 1,000m², driving schools and gyms can reopen as of May 12. Restaurants and cafes serving in outdoor gardens, museums, galleries and hairdressers can reopen as of May 25. The reopening of large shopping centres and indoor cafes and restaurants has been left till last, as of June 8. The plan moreover depends on the course of the epidemic and may be frozen or reviewed depending on circumstances.

- 15** The EC has approved support for Czech SMEs producing medical and protective equipment used to combat the spread of coronavirus. The total amount of aid can reach up to CZK1bn. The CR will allocate CZK300mn to companies in the first phase of the program. Support under a MIT program should finance up to ½ of the production costs in direct grants to SMEs. The EC has relaxed state aid rules under a series of coronavirus measures in mid-March to help finance the health sector and companies most affected by the crisis. Since then, states can help the private sector financially in ways not normally allowed. Brussels has already approved over 60 applications received from most EU Member States.

Leading Czech banks have received nearly 200,000 requests to postpone loan repayments from clients affected by anti-coronavirus measures. Most were consumer loans or mortgages. Česká spořitelna has received 45,000 such requests about 55% for consumer loans, 35% for mortgages and 10% for corporate loans. The ČSOB had registered over 37,000 requests for deferred repayments, also mainly consumer loans and mortgages. Moneta and its subsidiaries Wüstenrot announced on April 14 they had received over 50,000 requests for postponement of instalments worth over CZK20bn.

The Cabinet presented its plan to gradually lift anti-coronavirus restrictions on some businesses and open educational facilities in 5 stages, from April 20 to June 8. Regarding schools, initially students in the final year of university should be able to access libraries in small groups and consult their teachers at their faculties. By mid-May, secondary school students nearing graduation should be able to meet teachers to prepare for exams. Entrance exams to secondary schools and universities, and baccalaureate exams, should take place in early June. As for primary schools, the number of students could be limited to 15 per class (with a return from May 25

The Cabinet will withdraw a complaint lodged with the ECJ over subsidies for Agrofert that is central to an EU investigation into possible conflict of interest of PM Babiš. The MA said the February complaint is moot since the EC lifts ban on subsidies to Agrofert annulled its decision to suspend payments to Agrofert. However, the EC has made a new related decision, so the MA will likely suggest the cabinet file a new suit in response.

- 16** Czech hospitals on April 15 reported no Covid-19 deaths, for the first time since March 23. As of April 16 morning, 418 people were being treated in hospital for the disease while there were 6,303 confirmed coronavirus cases. MH Minister Vojtěch said the pandemic is under control but urged people to remain vigilant so as not to risk a new wave of infections. He announced on April 14 that hospitals could soon resume performing non-essential operations and other elective treatments. To date, 166 people have died of Covid-19 in the CR and 831 have recovered, according to the MH. More than 146,000 people have been tested since March 1.

Deputy MH Minister Prymula says the Cabinet will decide in the coming weeks whether to ease the restrictions on travel allowing Czechs to holiday abroad in a small number of countries that are perceived as “safe” destinations. He said the Cabinet was under considerable pressure to open at least a few holiday “channels” out of the CR. The CR’s leading epidemiologist said Slovakia and Croatia were being considered as possibilities, adding that this would necessitate an agreement with the respective countries which would have to open their borders to Czech holiday makers. The situation should become more clear in mid-June, Prymula said.

The Japanese flu drug Favipiravir is on its way to the CR where it will be tested on Covid-19 patients, MFA Minister Petříček said. He thanked Japan for making the drug available to Czech patients. The CR is one of 20 countries to which Japan is supplying the drug. Tests abroad have indicated that the new flu drug is effective in treating moderately serious cases of coronavirus infection.

People who have been placed in quarantine will need to screen negative for the Covid-19 virus before the quarantine can be officially terminated, according to a new regulation passed by the Cabinet.

In the last 3 weeks the CR repatriated more than 5,000 Czech nationals stranded abroad due to the coronavirus crisis, according to the MFA sources.

2,800 people were repatriated on special flights, 2,400 by road. In cooperation with EU partners the Czech authorities also helped 700 citizens of EU member states to return home. The Cabinet released more than CZK100mn for the repatriation effort with the MFA contributing 700 euro to the cost of the return trip for each passenger. The last repatriation flight organized by the Czech MFA in cooperation with the Embassy of South Korea brought home 329 Czechs and 35 other Europeans from Australia and New Zealand on April 16.

- 17** Self-employed entrepreneurs affected by the government restrictions taken to curb the spread of the coronavirus epidemic will receive a one-off contribution of CZK15,000 from the state in May, PM Babiš said. The Cabinet was also counting on a financial contribution in June if necessary. For the period from March 12 to April 30, the contribution is CZK25,000. According to the Cabinet’s reopening timetable some establishments will remain closed for longer.

Apr 17 The CNB has objected to PM Babiš's words that it could share its profit with the state at this time of crisis and could further reduce interest rates. The CNB emphasized that the bank is independent of the government in moulding its monetary policy. It further noted that it is not clear what profit the PM had in mind since the CNB had already agreed to use last year's profit of CZK57.9bn to cover part of the accounting losses from previous years. When asked, how the state would raise money for the economic losses incurred by the coronavirus crisis Mr. Babiš noted that Czech banks are in excellent shape. "The CNB has huge reserves, it could share a little profit with us, by further lowering the basic interest rate," the PM said. He also praised the fact that the CR had not joined the single currency.

Government measures to contain the spread of the coronavirus have affected 90,000 to 127,000 businesses and 145,000 to 299,000 entrepreneurs directly or indirectly, according to the CRIF. A 1/3 of Czech firms and the same share of entrepreneurs are affected directly, meaning they were forced to close down their operations. The worst hit is the Karlovy Vary Region, where up to 44% of firms and 42% of entrepreneurs were hit by the restrictions. The hardest hit are the smallest companies with an annual turnover of up to CZK1mn. Another 37,000 (10%) companies and 154,000 (17%) entrepreneurs have been partially affected. They were not forced to close down their operations, but sustained losses due to a significant drop in sales as a result of the restrictions on the movement of persons.

18 The USA is concerned by the danger of a cyber-attack on the healthcare sector in the CR, the US secretary of state Pompeo said on April 17. Mr. Pompeo said anybody carrying out such activities could expect consequences. The top American official said that any state or non-state actor considering cyber activity that impairs the ability of healthcare systems to deliver critical services during the Covid-19 crisis could cause deadly results. 2 Czech hospitals reported thwarted attacks on their computer systems on April 17. The previous day the NCISA issued a warning about possible cyber-attacks on hospitals and other important targets and released a set of comprehensive recommendations for devices that may be at risk. On April 18 the hospital in Karlovy Vary said it had been the subject of an attempted cyber-attack overnight.

The MIT Minister Havlíček says he does not expect the Czech state to take over private companies in a systematic manner in connection with the coronavirus crisis and its impact on the economy. The MIT Minister said if it did so, it would be in absolutely exceptional cases, adding that no list of potential companies had been drawn up. Both Mr. Havlíček and PM Babiš had previously said the state could intervene in key companies if they got in trouble. Earlier this week the MF Minister Schillerová said that the state should buy Czech Airlines.

Around 28,000 people taking part in a study aimed at establishing what percentage of the Czech population have had Covid-19 but not shown any symptoms of the disease should be tested within a week. The project has been delayed after initial problems with the tests, the Deputy MH Minister Prymula said. Experts say that establishing how many people without symptoms have gone through Covid-19 would help better predict the future development of the epidemic. As of April 18 morning, 176 people with the coronavirus had died in the CR. A total of 6,553 cases have been detected to date, over 160,000 tests have been carried out and nearly 400 people are hospitalised with the illness.

The Chinese CITIC has acquired a majority stake in one of the largest Czech media houses, Médea, the Hlídací pes reported. It previously held a 30% share in the company but has exercised an option to obtain more and now possesses a greater stake than 2nd owner Soukup, who is a frequent presenter on the Médea television station Barrandov. The media group also includes magazines such as Týden and Sedmička. Hlídací pes said the main drivers of the deal had been former MD Minister Tvrdík and President Zeman's advisor Nejedlý. The news site says the deal could give the Chinese group greater influence on the Czech media landscape.

19 The MT plans 172 major transport projects in the next 3 years. The works will cost around CZK243bn with most of that amount going to road and motorway construction. According to the MT paper, the financing of the projects is prepared for this year, despite the current crisis. However, things may be more complicated in the coming years.

The MF Minister Schillerová says that in view of the impact of the coronavirus crisis she will propose a budget deficit of CZK300bn at a cabinet meeting on April 20. At the end of last month the ChD voted to increase this year's budget deficit to CZK200bn from the previously planned CZK40bn. MF Minister Schillerová said her calculations included CZK120bn in spending and CZK140bn in lost revenues from social insurance, VAT and income tax.

The Cabinet will on April 20 discuss easing restrictions on the CR's borders for the purposes of work and business, says the MFA Minister Petříček. He said that loosening restrictions for tourists would require coordination with the whole of the EU and would depend on the situation in individual states in connection with Covid-19. Mr. Petříček said that now there was greater opportunity to test for the coronavirus the CR's borders could be opened in such a way that cross-border workers would not need, as they do at present, to go into quarantine after travelling abroad. However, he said that Poland, for instance, was stricter on its citizens crossing the border to work in the CR than the Czech Cabinet was in this regard.

Apr 19 Blanket testing of the population for Covid-19 should begin in the CR on April 22, the MH Minister Vojtěch said. Tests aimed at establishing the extent of infection among the CR's inhabitants will be carried out in Prague, South Moravia and around the towns of Litoměřice and Litovel. Deputy MH Minister Prymula, said previously that up to 28,000 people would undergo coronavirus testing, which should also help better predict the future development of the epidemic. The tests would be carried out in a similar manner to opinion polls, taking in people of different age, gender and profession in various parts of the CR.

20 Russia has denied responsibility for a series of cyber-attacks on medical facilities in the CR. After reports in the Czech media linking the attacks to Russia, the Russian embassy in Prague said in a statement that it was a fabrication and open provocation. It also accused the Czech secret services of feeding information blaming Moscow to domestic media outlets.

The Cabinet has approved raising the state budget deficit for this year to a record CZK300bn in view of the coronavirus crisis. At the end of last month the ChD voted to increase this year's budget deficit to CZK200bn from the previously planned CZK40bn. On April 20 the cabinet also agreed to continue providing CZK500 a day as a one-off contribution to the self-employed after the previously agreed date of April 30. The system will remain in place until the end of June. The MF previously said that up to 700,000 people could apply for this money.

Some restrictions imposed to help combat the spread of Covid-19 were lifted in the CR on April 20. In the first stage of a road map unveiled by the Cabinet last week, workshops operated by various artisans, farmers' markets, car showrooms and car repair centres are now allowed to open, provided they meet certain hygiene criteria. First year university students were also allowed to return on April 20 for tuition in small groups.

21 A government timetable for easing restrictions linked to Covid-19 could be discriminatory toward many businesses, says the CCC's president Dlouhý. Mr. Dlouhý said that the roadmap for getting the economy going again was too slow. The AHR said forcing restaurants to remain closed until the end of May or early June could spell the end for many. Some businesses were allowed to reopen on April 27 as part of a 5-stage government plan announced last week. Under the final stage, restaurants, hotels and shopping malls will be allowed to welcome customers again from June 8.

The results of a cross-sectional collective immunity study that will get underway in the CR this week will be known at the start of May, the MH Minister Vojtěch said. Around 27,000 people from parts of the CR with different recorded levels of Covid-19 infection will be tested. The tests will get underway on April 22 in Prague, South Moravia and around the towns of Litoměřice and Litovel, Mr. Vojtěch said. The results should help better predict the future development of the epidemic.

The monthly revenues of carmakers in the CR have fallen by an estimated CZK50bn since the coronavirus crisis caused shutdowns in production. In the case of suppliers, the estimated figure is over CZK17bn lost in 1 month. All 3 of the CR's main automakers halted production in the middle of March. Only Hyundai has reopened its plant to date, but Škoda will re-launch production on April 27 and TPCA will do so the following week. Car making is one of the most important industries in the CR, with Škoda alone accounting for around 9% of the CR's exports.

22 Starting April 22, people who have been placed in quarantine will need to screen negative for the COVID 19 virus before the quarantine can be officially terminated, according to a new regulation passed by the Cabinet. According to the government regulation the tests should be conducted by GPs and can only be performed a fortnight after the quarantine has started. The move is to prevent infected people without symptoms spreading the disease. However, many GPs say they still lack the rapid test kits required and have had to send patients to the nearest hospital for testing.

Hackers attempted to get into the computer system at the Czech MI last week. A number of Czech hospitals, the MH and Prague Airport have all seen their computer networks face attack recently. A spokesperson for the MI said somebody had attempted to find weaknesses in its computer system's defences. The MI had previously received warnings from the NCISA and the police's organised crime division, which investigates serious cyber-crime. Lidovky.cz reported that the local authorities were in contact with the US's FBI in connection with the attempted hacking of facilities in the CR.

Czechs have invested massively into an initiative to help tide over pubs during the coronavirus crisis. The "Save the Pub" initiative launched by the Czech Association of Breweries and Maltings, has raised CZK7mn in less than a month. Pub regulars and people willing to support the Czech pub culture are buying vouchers for food and drinks at their favourite haunt when pubs reopen. Pub regulars are spending on average CZK360,000 a day on beer and food to be consumed "in better times" to keep local pubs afloat. Approximately 50,000 pubs in the CR were forced to close as a result of government measures to curb the spread of the coronavirus epidemic.

Apr 23 The past winter season was the worst in the past 6 years, the Czech Mountain Resorts Association said on April 23. Czech ski resorts were affected by poor snow conditions and the season had to be ended prematurely due to the coronavirus outbreak. According to the association, Czech mountain resorts are now getting ready for the summer season. It also said the past few summers saw an increase in visitor numbers in the CR's mountain resorts by around 5%.

The Easter holidays appear to have had no effect on the growth of Covid-19 cases in the CR, according to the IHIS. According to the IHIS, the CR can now start a gradual and controlled return to normal life. The number of people with confirmed coronavirus infection reached 7,136 on April 23 morning, according to the MH. Some 210 people have died and over 2,000 have recovered from the disease. The predictive model suggests there could be around 7,800 confirmed coronavirus cases in the CR by the end of April.

A cross-sectional collective study aimed at establishing the level of Covid-19 infection within the population has got underway in the CR. People can get tested at testing points in Prague, Brno and Litoměřice. On April 24, blanket testing will also be launched in the Moravian towns of Olomouc, Litovel and Uničov. Altogether, some 27,000 people from all parts of the CR with different recorded levels of Covid-19 infection will be tested. While certain target groups have been selected by the CSO and the ASCR, people have been encouraged to voluntarily take part in the study. The results are expected to be available at the beginning of May.

The Prague Municipal Court on April 23 cancelled 4 anti-coronavirus measures issued by the MH, restricting the free movement of people as well as retail sales and services in the CR. The court's decision will come into effect on April 27. The judge found the restrictions of the MH illegal because they were not implemented under the Crisis Act. MH Minister Vojtěch said the Cabinet will try to comply with the ruling while maintaining restrictions aimed at curbing the spread of the new coronavirus.

24 Following the reopening of the CR's borders, the Cabinet should now help Czech travel agencies negotiate bilateral agreements with so-called low risk coronavirus states. In the first phase these should include Croatia, Bulgaria, Slovakia, Slovenia and Hungary, the Association of Travel Agencies said. These, hite hopes, should enable Czechs to travel to these countries without restrictions, aside from a COVID-19 test, by the beginning of July. Mr. Papež believes deals could also soon be negotiated with Bulgaria, Greece and the Balearic Islands. Some travel agencies are considering providing COVID-19 tests as part of their travel offers. This would be up to each individual agency, said Mr. Papež.

EGAP will receive CZK4bn from the Cabinet to be used as securities for loans to the CR's largest exporters who have been affected by the COVID-19 pandemic. The Cabinet approved the transfer of funds, on April 24, which means its COVID Plus Guarantee programme (EGAP PLUS program) that seeks to provide support for exporters will now be able to go ahead. Further funds may be transferred to fund the programme if needed. The MF increased EGAP's insurance capacity from CZK142bn to CZK330bn, as a result of the coronavirus crisis.

The Cabinet will ask the ChD to extend the state of emergency in the CR until May 25, Deputy PM Jan Hamáček said. He said the move had received unanimous approval from cabinet ministers. The MH will present the ChD with a document justifying the move on April 24, Mr. Hamáček said. The opposition has criticized plans for an extension and ANO, the leading party in the ruling coalition, was originally also against the idea. The Cabinet initially imposed a 30-day state of emergency on March 13 in view of the coronavirus situation. MPs later voted to extend it to the end of April.

The Cabinet has announced that they will be speeding up the 5-step plan to re-open shops and restaurants. According to the revised plan, most venues able to open from April 27, 2 weeks earlier than previously announced. Previously, only shops under 200 square meters were to reopen from April 27. The new plan allows even larger shops of up to 2,500 square meters to open as soon as April 27, provided they have their own entrance. Fitness centres and outdoor areas of zoos will also be allowed to open on April 27.

The Cabinet has lifted the ban on the free movement of people as of April 24 and decided that people can move outside in groups of up to 10, MH Minister Vojtěch announced at a press conference on April 23 evening. Mr. Vojtěch said that the latest favourable developments related to the Covid-19 situation had enabled the cabinet to lift the restrictions. The lifting of the ban also means that people can travel abroad. Upon returning to the CR, they will have to produce a negative test for coronavirus or go into 2-week quarantine. This measure only applies to Czech citizens and residents. The NSC has severely limited free movement in the CR since March 16 with several exemptions including going to work, necessary visits of family, purchases of food and vital supplies, and going to the doctor.

The possibility of free travel, which returned to Czechs this April 24 after the Cabinet relinquished some of its coronavirus measures, only exists in theory as current conditions make traveling abroad virtually impossible, PM Babiš said. He said that flights remain cancelled and that Czechs will not be allowed into other countries unless they have a valid coronavirus test. The loosening of measures therefore mainly applies to business trips, according to the PM. However, Mr. Babiš did say that he is in regular negotiations with other countries regarding the subject of travel. The CR is very effective in its combating of the coronavirus pandemic and is seen by many countries as an example, the PM said.

Apr 24 The number of people with confirmed coronavirus infection reached 7188 on April 24 morning, according to the MH. The number of people registered Covid-19 positive rose by 55 on April 23, the smallest daily increase since March 14, when 48 new cases were registered. 213 deaths are reported. Meanwhile, 2,152 have recovered from Covid-19. Czech labs have tested over 203 000 people to date.

Basic coronavirus countermeasures, such as the compulsory wearing of face masks, the use of disinfectants and social distancing will be in place at least until the end of June, Deputy MH Minister Prymula said.

25 Czech Railways has announced it will be reinstating four connections starting Sunday. These are the lines from Prague to Břeclav, Cheb, Karlovy Vary and Valašsko. Further connections will be restarted depending on public demand.

Around 11% of Czechs have lost their jobs during the month following a government lockdown on much of the service and entertainment sectors put in place to curb the spread of the coronavirus pandemic. A further 12% are no longer receiving their salaries on time, according to the Behavio. The survey also suggests that 34% of Czechs ran out of their savings during this period and close to a ½ of respondents said they only have enough money left for 1 month. Fear of an economic crisis resulting from the pandemic was registered among 49% of respondents, while 43%, said they fear the disease itself. Meanwhile, 25% of respondents said that they do not believe they will be affected by any resulting economic crash.

According to the latest research conducted by meteorologists, 94% of Czech territory has been affected by drought to some degree in recent weeks. While rainfall reached average rates in March, this was only during the first half of the month and hot weather coupled with strong winds dominated the later half of the month. These conditions grew more intense during the first half of April. The last few weeks have seen little rainfall, ranging only in single digit millimetres in the northern and north-eastern parts of the country, where some regions have been hit by what is classified as extreme drought. In other parts of the country the situation is not much better. Experts have been pointing out that drought is not just present in the CR, but is a wider, Central European problem. The risk of forest fires has been classified as medium to medium-high in the region.

Škoda Auto has announced that after more than a month of suspended manufacturing it will resume production from April 27. This will be done while maintaining around 80 individual precautions that have been defined in cooperation with its social partner KOVO Union to keep its workforce healthy and to prevent the spread of COVID-19. The safety measures include the wearing of face masks, which will be provided by Škoda, and the regular disinfecting of company premises. The safety measures will gradually be reduced in 3 stages. Their precise timing will depend on the development of the coronavirus crisis.

26 Revenues from domestic online stores could rise by 20% to a record CZK190bn in 2020, due to the coronavirus epidemic, according to the Czech Association of E-commerce. It says the crisis has led to both more clients turning to online stores and more businesses setting up e-commerce channels. In January experts were predicting online sales to grow by 15% in 2020. Now, it seems that growth could exceed this figure even by 10%, if conditions on the market remain highly favourable.

Drought and other symptoms of climate change are threats which cause most concern among Czechs. Meanwhile the fear of another pandemic ranks third on the imaginary scale, just after that of a major economic crisis, according to the Median. According to respondents, drought and related climate change symptoms are considered to be a threat by 85% of Czechs, the same ratio of Czechs also said they fear another economic crisis, although the level of certainty was lower. The fear of another viral pandemic came in 3rd in the survey, with 77% saying they either seriously, or slightly fear the outbreak of another disease. War and the threat of cyber-attack came in 4th, being a source of fear among 57% of Czechs, followed by social isolation with 55% and the weakening of democracy at 42%.

Care in hospitals could return to normal by the end of June, the CR's largest health insurance company VZP said. Hospitals in the CR were asked to postpone their planned operations by the MH to focus on the coronavirus pandemic, with large sections of staff allocated to treat patients affected by COVID-19. The VZP went on to say that the insurance company has calculated its losses associated with the coronavirus pandemic to lie at around CZK31bn. The Cabinet's decision to raise the level of insurance payments, along with the company's own reserves will help mitigate the losses.

27 More shops and services reopened around the CR within a phased-out easing of the government-imposed coronavirus restrictions. Shops the size of up to 2,500m² s that have their own entrance and are not located in large shopping centres are free to reopen, under strict hygiene conditions, as are driving schools, gyms and fitness centres, although without the use of showers and changing rooms. The Prague Zoo also reopened to visitors, although tickets are only available online. The Cabinet will also reportedly debate the possibility of speeding up the reopening of pubs, cafes and restaurants. According to the present timetable pubs cafes and restaurants with outdoor spaces can reopen on May 11, indoor spaces as of May 25.

The Škoda Auto has renewed production in all 3 of its plants located in Mladá Boleslav, Kvasiny and Vrchlabí. The plants are operating on 2 instead of the usual 3 shifts in order to leave time for the strict hygiene measures that need to be taken between shifts. The car makers 2,500 Polish workers will not be able to return to work for the time being. Škoda Auto stopped production on March 18.

Apr 27 Many Czech firms and businesses hit by the coronavirus restrictions claim that the government's support programs have left them out in the cold or that the financial aid has been late in coming. In the 1st wave, the CMZRB received 3,200 applications for state support, but according to the bank, less than 200 companies will receive help. The others have been told they do not fulfil the stated conditions for aid. The CI says the coming days may decide the fate of many Czech companies. The MIT is already preparing a 3rd aid program for entrepreneurs, but just days ahead of its launch companies still do not know the exact conditions for aid within COVID III.

The deficit in public finances in 2020 will reach 5.1% of the GDP, whereas last year it saw a surplus of 0.3% of the GDP, according to the MF. The overall public debt should rise to 37% of the GDP this year, up from last year's 30.8% of the GDP. In 2021, public finances should see a deficit of 4.1% of the GDP and the public debt should amount to 40% of GDP. Due to the economic impact of the coronavirus crisis the MF raised the projected deficit for 2020 from CZK40bn to CZK300bn.

28 The cabinet has approved the draft of 2 agreements between the government and the ČEZ on the construction of a 5th unit at the Dukovany NPP. Under the current schedule, the reactor vendor is to be selected by the end of 2022 and a construction licence issued by 2029, with commissioning expected in 2036. According to Deputy PM Havlíček the government wants to make a final decision on the financing of the new unit by the end of May. A 3rd agreement currently being prepared will define the conditions under which the state will buy electricity from ČEZ. The government's energy policy, approved by the cabinet in June 2015, envisages the expansion of both the Dukovany and Temelín NPPs.

Czech security experts have warned against growing Russian aggression and attempts to interfere in the internal affairs of the CR. They cite the diplomatic row over the statue of Soviet Marshal Ivan Konev as a case in point, urging the MFA to take a tougher stance towards Moscow.

The CC has rejected a complaint against the Cabinet imposed restrictions on free movement due to the coronavirus epidemic. The CC likewise rejected a complaint against the regulation banning sessions of local assemblies within a broader ban on public gatherings. 8 other complaints against the restrictions, including one against the closure of schools remain to be dealt with.

The number of Czechs abroad has dropped by almost 50% since the outbreak of the coronavirus pandemic, from an average 550,000 to the current 292,000. The statistics are based on the number of active SIM cards of domestic mobile operators abroad. Most of the Czechs abroad are located in Slovakia, Poland and Germany and are likely to have long-term residence there. The number of foreigners in the CR has dropped by almost 60%, from around 800,000 in February to 330,000 in April. Those who remain are mainly citizens from neighbouring countries who have resided in the CR for years.

The ChD has voted to extend the state of emergency in the CR until May 17. The Cabinet asked the ChD for an extension after the Prague Municipal Court cancelled the government restrictions on the free movement of people as well as retail sales and services in the country on the grounds that they were not implemented under the Crisis Act. The ruling parties argued that if the state of emergency was not extended it would mean that the whole package of preventive measures that have enabled the country to bring the epidemic under control would end, seriously increasing the risk of a fresh outbreak. The government's original proposal for an extension until May 25 did not win approval.

29 The MFA has responded curtly to a Russian protest note complaining about an article in the weekly Respekt saying the allegations made against Russia in it were "outrageous and inadmissible". In a statement published on its web page the MFA says the CR is a country that respects press freedom and rejects any attempts at interference from foreign states.

PM Babiš has said the Cabinet is planning to approve an amendment to the law on public health which would give the MH increased powers in times of crisis. The PM said that the law was tailored to enable the government to maintain certain restrictions taken to curb the spread of the coronavirus even after the state of emergency in the country ends. The proposed amendment to the law will be presented to the CHD next week, to be debated in a state of legislative emergency.

ME Minister Brabec said that the ongoing drought has been "catastrophic" for the agricultural sector, with 80% of groundwater resources unusually low this spring. In April, a so-called agricultural drought, marked by low soil moisture, stunted plant growth, reduced yields and endangered cattle, reigned over most of the CR. The water level of the Vltava River in Prague, for example, is 22% its monthly average, and that of the Elbe River near Ústí nad Labem is at 28% normal. This part of Europe is now facing its worst period of drought in 500 years, according to data from the scientific team InterSucho. The ME is negotiating with the MF to provide another CZK3.5bn to combat the drought.

30 The CR is likely to have 8,500 COVID 19 positive cases at the end of May, according to a prediction model unveiled by the IHIS. The model envisages an annual daily increase of around 15 persons in the course of the month. Since March 1, the CR has registered 7, 581 confirmed coronavirus cases. 3,120 people have recovered from the disease, 227 people have died. Altogether over 242,000 people have been tested.

Apr 30 The parents of children in kindergartens and first level elementary schools which are due to re-open on May 25, have been asked to decide whether they will send their children back to school. Those who decide not to do so will lose the nursing care money being paid out by the state. In April this amounted to 60% of the parent's salary, as of May 1 it was increased to 80%. The only exceptions are for children at risk because of chronic illnesses, children in quarantine or those living in one household with grandparents who are a high-risk group.

The Foreign Affairs Committee of the ChD has criticized the Office of the President for failing to explain its role in the pressure to which the late speaker of the Senate Kubera was subjected in connection with his planned trip to Taiwan. Mr. Kubera's wife has indicated that the enormous pressure he was under, as well as veiled threats believed to have been made by Chinese representatives, led to his early demise due to what is believed to have been a massive heart attack. The Office of the President reportedly handed over to Mr. Kubera a letter from the Chinese ambassador shortly before his death. President Zeman likewise attempted to dissuade Mr. Kubera from making the trip.

Surgeon General and chief medical adviser to NATO Bubeník says the countries where the coronavirus epidemic is on the wane must remain vigilant and stock up on protective gear in readiness for a possible second wave. General Bubeník said Europe's reliance on factories in Asia for protective gear had been a big mistake, which must be corrected. He also highlighted the importance of vaccine programs, saying that with all likelihood the blanket vaccination against tuberculosis in the CR had helped protect the public against an uncontrolled spread of the infection.

Large music festivals which traditionally attract thousands of fans will not be able to take place until mid-October, MC Minister Zaorálek said.

May 1 The president's chancellor Mynář has rejected accusations that the OPCR is withholding information regarding pressure to which the late speaker of the Senate Kubera was subjected in connection with his planned trip to Taiwan. Mr. Mynář said the matter had been seriously discussed during foreign policy consultations with the president, but dismissed the idea that Mr. Kubera had come under excessive pressure which could have worsened his state of health. Mr. Kubera's wife has indicated that the enormous pressure her husband was under, as well as veiled threats believed to have been made by Chinese representatives, led to his early demise due to what is believed to have been a massive heart attack.

The smart quarantine project is to be applied actively nationwide as of May 1 after undergoing a testing period in several regions. It should replace the broad government-imposed restrictions which are being gradually eased. The plan involves tracing past contacts of people who test positive for the virus five days back by creating "maps of their movements" with the help of banks and mobile phone operators. All those who they came into contact with will be tested and quarantined until cleared. The plan is being implemented with the help of the army in order to speed up testing.

A change in VAT rates on beer which takes effect on May 1, will reduce VAT on draught beer consumed on the pub premises, which has been moved from the 21% to the 10% VAT band. Bottled beer or draft beer sold to-go remains in the 22% VAT band. The change, which was criticized for being irrational and confusing, is further complicated by the coronavirus restrictions according to which pubs and food stands can sell beer from take-out windows to be consumed at some distance and will be able to open outdoor premises as of May 11.

The AHR has criticized the government for the manner in which it is handling the coronavirus crisis, saying that the easing of restrictions imposed is chaotic and the help given entrepreneurs is inadequate. The Cabinet released fresh details of the reopening process, specifying the conditions which would have to be met for enterprises which can reopen on May 11. Pubs and restaurants can reopen their outdoor spaces on condition that tables are placed at least 1.5m apart, and chairs and tables are disinfected after every client. Similar conditions will have to be met by hairdressers.

2 The Pedagogical Chamber considers the MEYS's procedure to gradually open schools chaotic and lacking in clearly defined and binding procedures. It said that the MEYS has also relieved itself of responsibility to ensure adequate conditions by issuing only recommendations to schools rather than enshrining them in laws and decrees, the Chamber said, and put the onus on school directors. In response, the MEYS said it had already announced it would issue comprehensive guidelines and methodologies at the start of May. Some 9th graders are expected to return to school on May 11. Secondary schools are preparing for the return of high school graduates in various ways, in some cases in small groups at school, elsewhere mainly online.

The CR should pay at least a 1/3 of the rent for the period of March 12 through June to entrepreneurs who have had to close due to anti-coronavirus measures, PM Babiš said. The support would go to businesses of all kinds, from shopping centres to small stores, pubs and hair salons, whose landlords agree to forgiving a 1/3 of the rent. The tenant would pay the remaining 1/3. The opposition has been pushing for such support. MIT Minister Havlíček said the Cabinet should discuss the measure next week, but no later than May 11.

Another Czech satellite will be sent into orbit this year, launched from a Falcon 9 rocket. The satellite, built at the Research and Testing Aviation Institute, will take detailed images of the earth's surface and test a system for accurately determining its position in the sky. It will provide farmers, foresters and water management experts, as well as those researching climate change, with detailed overviews.

May 3 The Cabinet will take no retaliatory measures against Russian authorities over a reputed plot to assassinate Prague's mayor and others without confirmation of secret service information, Deputy PM Havlíček said. In late April, the weekly Respekt reported that Prague Mayor and 2 district mayors were under police protection because a Russian intelligence agent with diplomatic status had been sent to poison them using ricin. Havlíček said retaliatory moves such as expelling Russian diplomats were not under consideration for the time being. The Russian Embassy in Prague has accused Respekt of spreading fake news and filed a protest with the MFA. The MFA Minister has said the idea of Russia sending an agent to assassinate Czech politicians is "inconceivable".

MFA Minister Petříček says the CR's borders with neighbouring countries should be fully open from July. Negotiations with Slovakia and Austria are the furthest along, while negotiations with Poland may prove more complicated and travel to Germany will depend on how the coronavirus develops there. Petříček said he is hopeful that Czechs will also be allowed to travel to Bulgaria, Hungary and the Baltic countries in July, and to Croatia, Greece, Slovenia and Malta in August.

4 MA Minister Toman has assured the public that despite the severe drought, which experts say is the worst in 500 years, the CR's reserves of drinking water are still adequate. Despite this the situation is serious and more action is needed urgently, he said. The water level in streams is between 6 and 30% of the long-term April average, although the CR's dams are full. They retain 485mn m3 of water, which should secure the CR's consumption needs for 18 months. The MA is working to select 31 places where new water reservoirs could be built. Last year, it spent CZK13.7bn on measures to fight the drought. This year's damage to agricultural crops caused by drought will probably be greater than last year, Toman said, with losses of up to 40% in some areas.

The Cabinet has voted to suspend the EET system until the end of this year in view of the coronavirus crisis.

5 The Cabinet has given allowed operators to renew international rail, road and water transport as of May 11. Following an easing of restrictions, which now allow citizens to travel abroad for „substantiated reasons“ Prague's airport is also renewing some air links. The first to be renewed were flights to Düsseldorf and Amsterdam. Czechs travelling abroad will have to produce a negative COVID 19 test upon their return or undergo a 2-week quarantine.

The ČSSD rejected an amendment to the Public Health Protection Act, which would give the MH greater powers in times of crisis. The proposal was to have enabled the government to maintain a number of restrictions even after the state of emergency in the CR ends on May 17. ČSSD leader Hamáček argued that in its present form the proposed amendment is in violation of the constitution. He suggested instead an amendment to the constitutional law on security, saying that the MI would draft the amendment by May 7. Should that fail, the Cabinet would have to ask the ChD to further extend the state of emergency in the CR.

The EC has approved the CR providing support of CZK142bn to firms hit by the coronavirus situation. The aid will take the form of guarantees on loans primarily to large companies with a significant share of exports. The European Commissioner for competition Vestager said the measure would help Czech firms to carry on during the crisis and after it ends. The scheme is open to companies who get a least one-fifth of their annual income from international sales.

Not all Czech arts institutions will make use of the possibility to reopen, under certain restrictions, from May 11. Theatres and cinemas will be able to welcome a maximum of 100 guests. They will have to guarantee social distancing in their seating arrangements.

The MFA Minister Petříček says that the CR asked Russia to hold discussions under a treaty on mutual cooperation in a bid to clear up, among other things, a dispute surrounding a statue of Red Army commander Ivan Konev. Mr. Petříček announced the move in the ChD in response to an opposition call for a debate on relations with Russia. He called on MPs to not politicise the issue and to leave it to diplomats.

6 The Cabinet is preparing special legislation under which it can maintain measures aimed at curbing Covid-19 even after a state of emergency ends on May 17. MH Minister Vojtěch said work had begun on the bill. Mr. Vojtěch said the law would be temporary and would allow the Cabinet to approve special measures in connection with the coronavirus. He will present it to the cabinet on May 7. While the state of emergency will conclude on May 17, some restrictions will stay in place until May 25. On that date restaurants, cafés, hotels and some other facilities will be allowed to reopen in the final stage of a government road map.

The number of unreported Covid-19 cases in the CR is quite low, only a few people per thousand, according to preliminary results of a large-scale MH's collective immunity study. The study is based on a representative sample test among 26,549 people, 107 of whom were found to have acute coronavirus infections. The highest incidence of infections (less than 5%) was recorded in the Moravian town of Litovel, which had been under quarantine several weeks ago, and the lowest in the regional capital, Brno. Samples were also taken in Prague, which has the greatest number of cases, and in Litoměřice, Olomouc and Uničov, a town near Litovel. Roughly a 1/3 who tested positive had no symptoms. MH Minister Vojtěch said that attention must focus on local sources of noted infection, such as in Cheb region, and recently also Prague, as gradual easing of containment measures continues.

May 6 The EC estimates Czech economic growth will drop by 6.2% this year due to measures to contain on the spread of the novel coronavirus, a steeper drop than during the 2009 global financial crisis. In its regular spring macroeconomic estimate, the EU executive arm writes that apart from a decline in production, the export-oriented Czech economy will also suffer due to reduced foreign demand. Real GDP is expected to gradually recover in 2021 but not rebound to 2019 levels. Czech unemployment is expected to rise to around 5% next year, while inflation should fall slightly, mainly due to declining oil prices and lower demand. At the end of 2019, the unemployment rate stood at 2.9%. By comparison, the EU's economy is expected to contract by a record 7.4% this year. Unemployment in the bloc on average could climb to 9% this year.

7 PM Babiš and US Secretary of State Pompeo have remotely signed a declaration committing to find reliable, trustworthy suppliers for 5G mobile networks. The declaration aims to protect networks from intrusion and manipulation, and to ensure the protection of citizens' privacy and rights, the OGCR said. Czech and US intelligence services have warned that to have Chinese companies such as Huawei and ZTE roll out national infrastructure such as the 5G network would represent a security threat. The auction of 5G frequencies in the CR was initially scheduled for the H2 2019 but was postponed due to an objection by the EC over competition concerns.

The BIS has filed a criminal complaint over the leak of classified information about a Russian agent who allegedly arrived in Prague with the deadly poison ricin. The targets of the agent, travelling on a diplomatic passport, were Prague's Mayor and 2 colleagues who had taken symbolic steps angering the Kremlin and are currently under 24-hour police. MFA Minister Petříček has confirmed the Russian diplomat's arrival but would not comment on whether the man had the poison ricin in his briefcase. On May 6, a ChD's committee said Czech authorities had responded appropriately to the situation.

Czech authorities should resolve the ongoing conflict of interest of PM Babiš, who still has an influence on Agrofert and collects money from EU funds, several MEPs on the EP's Budgetary Control Committee agreed. The committee discussed a report from a February EP's mission to the CR. In non-binding recommendations, the committee called on the PM to resign or stop collecting money from the EU budget through companies associated with the Agrofert holding, if a conflict of interest is actually proven. According to MEPs, the EC should stop the holding company's payments and strictly apply zero tolerance. Last year's EC's audit report states that Babiš still has an influence on the company, which he invested in trust funds. The PM refuses it. In response, Agrofert called the EC's mission politicized

There were 254,000 people without work in the CR in April, the highest level since March 2018, according to the LOCR. However, MLSA Minister Maláčová says the data is still favourable. Unemployment rose by 0.4% in April as opposed to the previous month to 3.4%. Most of those recently rendered unemployed are from the culinary, hotel and sales sectors. There are currently 330,000 vacant jobs in the CR.

The current ban on visits to care homes and hospitals is to be lifted from May 25, 2 weeks earlier than initially planned, MH Minister Vojtěch said. Visits will be possible if hygiene rules are maintained. The ban has been in place for 11 weeks. It was initiated to prevent the spread of COVID-19 in areas with potentially high-risk patients.

The CR's shift towards smart quarantine is a key project and will enable the country to end its statewide measures, Deputy MH Minister Prymula said. Instead, focus is to be shifted to local outbreaks of the COVID-19 coronavirus, based around swift detection and isolation of infected citizens. To boost the effectiveness of smart quarantine, MH Minister Vojtěch urged Czechs to download the app eRouška, which creates so-called "memory maps" based on mobile phone tracking and identifies high risk areas.

The Cabinet approved a new draft law on emergency measures, which expands and clarifies the powers of the MH in relation to the coronavirus pandemic, MI Minister Hamáček said. This includes enabling the MH to enact emergency measures that receive government approval and are rooted in warnings from epidemiologists. The legislation, which would be in place for a limited 1 year period, could also enable the government to keep certain coronavirus measures in place even after the state of emergency officially ends on May 17. The Cabinet's plan counts on the gradual easing of restrictions in the service sector until May 25, a week longer than the state of emergency deadline.

8 The CR is marking the 75th anniversary of the end of World War II in Europe. The traditional events such as a wreath-laying ceremony at the National Monument on Prague's Vítkov hill had to be modified due to the coronavirus crisis. Many events have had to be moved online.

According to the AMI survey, the majority of working Czechs – 60%– are concerned about the economic impacts of the coronavirus crisis. 1/10 of respondents fear a drop in income; 1/10 fear losing their jobs or not getting paid. Due to the coronavirus situation, a 1/4 of respondents switched to a partial or full home office, and 1/6 employees could not work at all because of closed shops and services.

9 As of May 11, the services of hairdressers, massage and beauty salons and various wellness and beauty facilities will start operating under strict hygiene conditions, with fewer clients, social distancing and no refreshments. Employees will have to wear both facemasks and plastic shields. Demand for their services is overwhelming, with many salons already fully booked until June.

May 9 According to the Fair Credit survey, more than 1/2 of Czechs now have problems making ends meet on their monthly income. 1/10 respondents said they need to borrow ahead of payday, 43% of people live from one pay check to the next. Before the coronavirus crisis only 28% of people said they had no financial reserves. Financial experts predict that as shops and services reopen people's financial problems will deepen. Part of the problem is that only 29% of respondents have a good overview of their expenditures, mostly people over the age of 45.

10 The ANO would currently win general elections, with 34% of the vote, followed by the Pirates with 16% and the ODS with 11.5% of the vote. 5 other parties would cross the 5% threshold needed to get seats in the ChD; the SPD would get 7%, TOP 09 would get 6.5%, and the ČSSD, the KSČM and the STAN would each get 5.5% of the vote.

11 According to epidemiologists the biggest danger for a possible setback currently lies in the reopening of shopping malls, due to the large amount of people who pass through them daily and the air-conditioning system, and travel abroad. The Cabinet allowed operators to renew international rail, road and water transport as of May 11 and Prague's main international airport is also renewing some air links. Czech citizens may now travel abroad for "substantiated reasons" such as work, to visit relatives or for medical care. People travelling abroad will have to produce a negative COVID 19 test upon their return or undergo a 2-week quarantine.

Hotels and accommodation facilities report a steep drop in profit as a result of the coronavirus pandemic. The number of guests in Czech hotels, boarding houses and camps reached 3.1mn in the Q1 quarter, largely thanks to visitors who arrived in the first 2 months of the year, before the coronavirus restrictions closed accommodation facilities. This represents a 22.2% drop compared to the same period last year. The number of overnight stays decreased by 16.7 yoy to 8.9mn. The number of German visitors dropped by 17.4% as compared to the same period last year, the number of Polish tourists was down by 15%, the number of Italians visiting dropped by 40% and the number of Chinese and South Korean visitors was down by a 1/2.

The government-ordered mandatory service for some medical students in state run hospitals, old age homes and emergency services ended on May 11h. The compulsory character of the service stemmed from the state of emergency in the CR, and concerned students in their last year of medical school who were asked to assist staff during the coronavirus crisis. In reality many more than those addressed signed up to help on a voluntary basis in order to be useful and gain experience. Altogether over 5,500 medical students from faculties around the CR helped out, conducting blood tests, questioning patients in a pre-selection process and serving on info lines.

A major loosening of coronavirus restrictions in the CR started as of May 11, with shops and services, galleries, cinemas, pubs and restaurants reopening after a break of 2 months. Shopping centres, hairdressers, massage and wellness salons have been allowed to reopen under strict hygiene conditions. Pubs, cafes and restaurants are now able to serve clients in outdoor spaces. Schools have reopened to students facing entrance exams, with a maximum of 15 students in the classroom. Masses and weddings of up to 100 people are allowed and the CR's castles and chateaus are reopening their doors to visitors.

Face masks will not be obligatory outdoors after May 25 on condition that people can maintain the social distance requirements of 2m, MH Minister Vojtěch reported. Face masks will remain obligatory in shops and institutions and closed public spaces with a high risk of transmission such as public transport or taxis. Vojtěch said the regulation according to which shops, post offices and other services are reserved for people over the age of 65 from 8am till 10am every day, will remain in place for the time being.

12 Agricultural drought has now spread to the entire territory of the CR, according to scientists and experts affiliated in Intersucho, a specialised data hub focused on mapping drought in the CR. 98% of Czech territory is now affected by agricultural drought, with 57% of land experiencing exceptional or extreme drought, with water lacking even in the deep layers of the soil. The prolonged period of dry weather has resulted in what experts say is the worst drought in 500 years. ME Minister Brabec has called an emergency meeting of regional and local officials from across the CR for May 12 to work on a joint crisis response strategy.

The landmark 75th edition of the Prague Spring International Music Festival gets underway on May 12, though it will take an unusual form due to the coronavirus situation. Instead of Smetana's My Country performed at the Municipal House, it will begin with an online concert featuring a host of musicians congratulating the event on its 75th anniversary. During the 2020 Prague Spring 11 live concerts – with no audiences in attendance – will be streamed from 5 venues in Prague and one in Brno. Among the ensembles taking part are the Prague Radio Symphony Orchestra, the Prague Symphony Orchestra, the Prague Philharmonia and the Czech Philharmonic.

13 The Cabinet is not planning to cut defence spending as part of budget cuts amid economic impact of the COVID-19 coronavirus, PM Babiš said. The MD is in the middle of negotiations regarding its biggest acquisition project, the purchase of new armoured troop carriers worth CZK52bn. The PM said it is necessary to find a way in which this can go ahead. The MD announced it had signed a CZK1.7bn deal with STV GROUP that will supply 47,000 bulletproof vests for the troops. Mr Babiš also thanked the army for its help in combating the coronavirus pandemic.

PM Babiš hopes that a diplomatic dialogue with Russia will help normalise relations with the CR. Mr Babiš said that after consultations with him, MFA Minister Petříček had requested the opening of diplomatic dialogue with the Russian side to which the Russians agreed. The PM went on to say that it is unacceptable for anyone to interfere in the Czech domestic political scene, but that the Russian side has rejected such an accusation.

May 13 The CR could open its borders with Austria and Slovakia either on June 8, or June 15, PM Babiš said. Asked about the re-opening of borders with Germany, Mr Babiš said he was more sceptical due to the epidemiological situation in Germany. Austria and Germany have stated they want to reopen cross border travel with their neighbours. Austrian Tourism Minister Köstinger and German MI Minister Horst Seehofer both said on May 13 that they want to see the reopening of borders with neighbouring states, including the CR, on May 13. The EC has recommended to states that they begin gradually re-opening their borders.

The MF Minister Schillerová says she expects a state budget deficit of around CZK300bn next year. A budget deficit of that size is already planned for 2020. A budget deficit of CZK40bn had originally envisaged for this year but that figure was revised in view of the coronavirus crisis. Ms. Schillerová said the Cabinet had rubberstamped an amendment under which the MF would present the draft budget for 2021 to the cabinet at the end of September and to MPs toward the end of October. This is a month later than usual.

14 According to the ATM, Czech municipalities have cancelled thousands of investment projects for a total of CZK8.4bn due to the coronavirus pandemic. 23,000 other projects totalling CZK27.6bn have been postponed. The ACT criticized the Cabinet's plan to make the municipalities pay part of compensation being paid to affected entrepreneurs. A related bill is now before the Senate.

15 From January through April, 20,000 people started businesses in the CR while some 46,000 suspended them, and another 11,500 scrapped their trade licences. 2/3 of interrupted or ceased their activities before the coronavirus crisis began, and 1/3 in the past 2 months. Businesses for which remote 'home office' work is not possible were among the hardest hit, including in the tourism, accommodation, wellness and recreation sectors, bars and restaurants, and hairdressers.

The interiors of restaurants, pubs, bars, nightclubs and discos due to reopen on May 25, must be closed between 11pm to 6am, MH Minister Vojtěch said. Events with up to 300 people will also be allowed, he said, both at indoor and outdoor venues. Facemasks will still be required apply in interior spaces, but mouth-nose protection may be removed while eating and drinking at the table. Vojtěch said the restrictions reflect the degree of uncertainty as to the future development of the coronavirus in the CR and the results of measures taken abroad to contain the spread of Covid-19. When nightclubs reopened in South Korea there was a spike in infections, and in such spaces social-distancing measures are difficult to keep, Vojtěch said. The MH may set restrictions on operating hours and events after the state of emergency ends on May 18.

Czech economic growth dropped by 2.2% yoy in January through March and by 3.6% qoq, a preliminary CSO estimate shows. It marks the steepest decline since the 2009 global financial crisis. The results were significantly affected by the global coronavirus pandemic and the associated restrictive measures. In addition to a significant reduction in foreign demand, corporate investment and household consumption also fell. CNB's Governor Rusnok said the preliminary data confirmed the CNB's outlook for the economy. Analysts expected a similar development due to coronavirus-related restrictions introduced in mid-March. In the last quarter of 2019, GDP grew by 2% yoy and rose by 0.5% qoq.

17 Austria reopened all its border crossings with the CR, Slovakia and Hungary at midnight June 16. As of June 17 morning, police and customs officers will only carry out random tests of people travelling across the border, the Austrian interior ministry informed. According to the MI, people return to the CR will have to present a negative test for Covid-19 or to be quarantined for 2 weeks.

Miners from the Darkov mine near the Silesian town of Karviná have tested positive for Covid-19 and members of their families have also been infected with the virus. According to the head of the regional hygienic station, a blanket testing will be carried out in the mine starting on May 18. After the outbreak of the virus, the Darkov mine introduced strict hygienic measures, including regular disinfecting of the premises. Employees are required to wear gloves, eye protection and FFP2 respirators and have their temperature checked upon their arrival at work.

18 VSA on May 18 resumed passenger flights to 3 destinations after a break of 2 months caused by the coronavirus outbreak. Czech Airlines is now flying to Paris, Amsterdam and Frankfurt. It also plans to resume operation on its lines to Kiev and Odessa later in May, provided mandatory quarantine restrictions are terminated in Ukraine by then. CSA and Smartwings suspended all flights from and to the CR on March 13 after the government declared state of emergency, grounding 23 planes at the country's four international airports.

A 2-month long state of emergency declared over the coronavirus crisis ended at midnight on May 17. Some of the restrictions introduced in order to curb the spread of the virus during the state of emergency will remain in place, such as the obligation to wear face-masks in public places. Indoor premises of restaurants, pubs and cafes will also remain closed until May 25th which will bring a further easing of restrictions. The restrictions are now in force under the law on public health.

The Cabinet eased the regulation which obliges people to wear face masks in public. As of May 19, people working in intensely hot environments, as well as office workers will not have to wear masks at the workplace if they observe the social distancing requirements, i.e. maintaining a 2-m distance from each other. Face masks will not be obligatory outdoors after May 25 although people will be required to wear them in shops and institutions and closed public spaces with a high risk of transmission such as public transport.

May 19 The Cabinet is planning to purchase CZK3.7bn worth of medical equipment and protective gear for the CR's State Material Reserves in preparation for a potential second wave of the coronavirus pandemic, Deputy PM Havlíček said. Individual ministries have been asked to state their requests for protective equipment by June 8. Suppliers will be selected via open tenders according to the Public Procurement Act. In the first wave of the pandemic the government had inadequate material reserves and the MH came under fire for purchasing severely overpriced protective gear in an effort to supply hospitals with basic necessities such as face masks and disinfectant. Individual purchases are now being checked by the SAO.

The MFA ministers of the CR and Austria have agreed to allow free movement of people between the two states from mid-June. The news means that people who cross the Czech-Austrian border will not need to enter quarantine or produce a negative Covid-19 test. The agreement still needs to be ratified at government level, Mr. Petříček said.

The CR plans to open the vast majority of its border crossings on May 26, the MI Minister Hamáček said. Mr. Hamáček said the current fixed border checks would give way to random checks carried out by the police at some distance from the border. Virtually all border crossings with the exception of ones on hiking trails will reopen. Mr. Hamáček had previously said that the presentation of a negative Covid-19 test would still be required of anybody entering the CR.

- 20** The speaker of the Senate Vystrčil, says if China tells the CR and its Senate how to behave this will increase the likelihood of him visiting Taiwan, adding that his country cannot be a lackey. He made these comments after a meeting with President Zeman. Mr. Vystrčil said the head of state had told him that a mission to Taiwan would not contribute to the Czech economy.

The Senate voted in support of the planned trip of Senate Speaker Vystrčil to Taiwan as well as against the interference of Russia and China in the internal affairs of the CR. The latter vote was made in relation to the recent diplomatic incidents connected to the removal of the statue of Soviet marshal Ivan Konev in Prague 6 and China's anger at the planned Senate speaker's visit to Taiwan. Deputy Senate Speaker Růžička called the surrounding events that followed the statues removal and the planned trip to Taiwan as unacceptable.

- 22** The CR has officially joined the EU's plan for achieving climate neutrality by 2050, ME Minister Brabec said in a letter addressed to the EU executive arm and member states. Brabec says in the letter that the Cabinet supports the 2050 target date but also wants to use nuclear technologies, and argues that the CR should receive the greatest possible support from the European budget, as the plan will affect poorer and industrial regions. In the letter, the Cabinet also calls for a cautious approach to the EU's plans for 2030 – by when emissions should fall by 40% compared to 1990 levels. Brabec first wants to evaluate the effects of the coronavirus pandemic on the economy.

MFA Minister Petříček hopes to renew his regular joint trips abroad with Czech business representatives as of this autumn. If the situation regarding the coronavirus pandemic allows, Petříček wants to start his originally planned trips to Africa, Latin America and the Middle East. He said he always tries to include industry and trade representatives on his foreign trips to help support the export-oriented Czech economy.

- 23** Wearing face masks even in indoor spaces could cease to be obligatory in the CR at the end of June, says the MH Minister Vojtěch. From May 25, it will be no longer required to cover one's nose and mouth in public unless one is in an enclosed space or in close proximity to others. Government epidemiologist Maďar said that requirements regarding face masks could in future be intensified in particular regions of the CR depending on the public health situation.

- 24** The MH Minister Vojtěch says the new form of a national smart quarantine programme focused on Covid-19 will cost around CZK200mn this year. The MH is due to take over the project on May 25. The funding will go toward IT and 150 specialised staff deployed around the CR. The MH Minister said that "Smart Quarantine 2.0" would be more robust than the current form of the scheme, which was created quickly in response to the outbreak of the coronavirus pandemic in the CR. The system will be able to track data on 400 infected persons a day but could be expanded to handle as many as 1,000. Involvement will remain voluntary.

The Cabinet is not planning to create a mechanism for the compensation of firms over the restrictions imposed to contain Covid-19, the MJ Minister Benešová said. She said that if companies had suffered losses because of the measures they could take the matter to the courts. Mrs. Benešová said the cabinet had supported enterprises in a number of ways, including a short-time work scheme (commonly known as kursarbeit) and the deferral of levies.

- 25** Mining was halted at the Darkov mine in Karviná on May 25 due to a local coronavirus outbreak. A blanket test on all miners and their families revealed 212 cases of COVID 19 last week, and over 1,000 people who they came into contact with have been quarantined. None of the cases are reported to be serious. Nation-wide loosening of coronavirus restrictions will not apply in the region. The ban on visits to hospitals and social facilities will remain in place and the regulation banning mass events for more than 100 people will not be lifted for the time being. According to MH Minister Vojtěch the restrictions could remain in place for at least another week to 14 days, depending on how the situation develops.

May 25 The Cabinet agreed to further loosen restrictions on travel. From May 27, Czechs and Slovaks will be able to travel from one country to the other without the need to produce negative tests for COVID-19 and without having to undergo a quarantine if they return to their country within 48 hours. As of May 26, all road and rail crossings on the borders with Austria and Germany will open, with only random checks. International airports in Brno, Ostrava, Karlovy Vary, Pardubice and Prague-Kbely will renew flights within Schengen.

26 Deputy MH Minister Prymula, who headed of the Central Crisis Staff in the initial phase of the COVID-19 crisis in March is to serve as Government Commissioner for Research in Health Sciences. He was approved in the post by the cabinet. He will leave his post at the Health Ministry on May 31.

New legislation on construction that should majorly impact building in the CR is set to go to the government's legislative council on May 28. The new Construction Code will then go before the ChD in September, the PM Babiš said. The legislation should enter force in spring of next year and gradually take full effect by the middle of 2023. The Cabinet says the new code will simplify and speed up planning permission processes, which it says are costing the economy billions of crowns ever year. However, critics say it changed so much in the comment procedure that it will in fact make construction work more complicated.

28 The CR should get almost €20bn from the EC's special recovery fund to restart economies hit hard by the coronavirus outbreak. The EC called for a €750bn recovery fund, a third of which would help Italy and Spain – the countries most affected by the epidemic. The EC plans to borrow the whole sum in financial markets. Out of the sum, €19.2bn should be allocated to the CR, while direct payments from the EU funds are to amount to 8.6bn and the remaining 10.6bn would be loans with advantageous interest rates. PM Babiš said he didn't agree with unemployment playing a significant role in the aid distribution. He said that states that managed to keep low unemployment even during the crisis should not be penalised.

Slovak PM Matovič is due to visit the CR on June 3. It will be his first trip abroad since being elected in March. In Prague, Igor Matovič will be received by his Czech counterpart Babiš. The CR has traditionally been the first destination of Slovak officials visit after taking office.

The number of smokers in the CR has been steadily decreasing over the past 7 years, according to new data. Less than 25% of respondents in an annual survey conducted by the SHI said they were smokers. The drop in the number of smokers is most apparent in the 15 to 24 age group. While in 2017, 35% were smokers, last year it was only 23. An anti-smoking bill, introducing a strict ban on smoking in pubs, restaurants and other facilities, was introduced in the CR in June 2017.

The EET will be suspended until the end of 2020 in a bid to help businesses hit hard by the coronavirus crisis. The law enabling the suspension of EET was signed by President Zeman. Under the divisive electronic cash register system, the first phase of which was introduced in late 2016, retailers, restaurants and other businesses in the CR must record their takings in real time into a central state system. The government originally suspended the system until 3 months after the end of state of emergency, which ended on May 17.

29 As of May 29, Czech citizens are allowed to travel to freely to Croatia. Croatian PM Plenkovic announced that the country was completely opening its borders to 10 EU countries, including the CR and Slovakia. Nationals from the 10 countries will be able to enter Croatia under the same conditions as before the outbreak of COVID-19. Nevertheless, they will have to comply with recommendations issued by the country's Institute of Public Health.

MFA Minister Petříček is due to submit a plan to the government on June 1 on how to help Czech companies maintain sales abroad during the coronavirus crisis. More than 80% of Czech GDP derives from exports and more than half of jobs are linked to foreign sales. Petříček said the MFA wants to submit a long-term reconstruction package to support Czech exporters. Czech officials should also focus more on monitoring public procurement opportunities abroad in which foreign companies can participate. In parts of Africa, for example, Czech firms can present entire transport or healthcare projects, he said.

30 The MRD has sent the EC an official reply to the EC audit which found PM Babiš to be in a conflict of interest by still influencing his former company Agrofert via trust funds. The MRD expects this will result in further negotiations with the EC. Asked about what the exact contents of the reply are, the MRD refused to comment.

Businesses in the CR will be forced to lay off workers and unemployment will grow, due to an insufficient amount of relief measures being passed through Parliament, the CI informed. According to the CI, it was an error that the ChD did not pass further relief measures suggested by opposition members of the ChD. It says that there are now holes in the safety net, which will keep some businesses unable to ask for financial support and thus fail. The CI demanded that aid would also be put in place for large companies and that a possible decline in wages be adjusted. MLSA Minister Maláčová said that the ceiling of help to companies employing up to 50 workers had been a necessary compromise.

May 30 The CR's contribution to the NATO budget could increase by CZK43.9bn starting from 2021. The payment rise will be discussed by the Cabinet. The increased contribution is based around last year's London Summit meeting between NATO member states, where the allies agreed to raise the portion of money paid by European members while decreasing payments made by the United States. The CR currently contributes just under 1% of the total NATO budget. If the expected rise were put in place, this contribution would rise to 1.0558% from 2021. Most of the extra money would come from the MD, while a further CZK 5 million would be contributed by the MFA.

Jun 1 The outbreak in the Silesian Darkov mine, which has been one of the main centres of the coronavirus pandemic in the CR over these past 2 weeks, seems to be slowing down.

PM Babiš has said he will propose increasing state subsidies for local projects in municipalities in order to make up for the expenditures linked to coronavirus aid to small and medium-sized businesses. In the past days municipalities have protested against the Cabinet's decision that the aid to entrepreneurs is to come from municipal budgets rather than state finances, saying they would lack money for vital local projects. The pPM said that the state would more than make up for the compensation package by increasing state aid for local projects by 20%. He said the arrangement had been the only workable solution legally.

The state budget deficit in May rose to CZK157.4bn, up from CZK93.4bn in April, according to the MF. It is the highest monthly increase recorded since the establishment of the CR in 1993.

2 A further loosening of coronavirus restrictions, due to take effect on June 8, will allow public gatherings and events involving up to 500 people. The Cabinet has also moved to ease the regulations governing the number of people in theatres, cinemas and concert halls, scrapping the social distancing requirements that severely limited attendance. Restrictions limiting the number of visitors in zoos, botanical gardens and outdoor events to 250 people per hectare will also be lifted as of June 8.

3 As of June 4, travel rules between the CR and Slovakia will be restored to the state in which they were before the COVID-19 pandemic, PMs of both countries announced.

Austria will remove its border checks with the CR and all other neighbouring states, excluding Italy, Austria's MFA Minister Schallenberg announced. Neither a negative COVID-19 test, nor undertaking a compulsory 2-week quarantine will be required for Czechs to enter the country. However, it is as of yet unclear whether the CR will do the same, or continue on its current timeline of opening up borders with Austria, Germany and Hungary on June 15.

4 The MD is planning to buy 52 Ceasar self-propelled howitzers from French manufacturer Nexter Systems in a CZK6bn deal, MD Minister Metnar has announced. Nexter has already been approached and it is hoped that a contract will be signed by the end of 2020. Once purchased, the army will move its current howitzers, DANA, into its reserves with no plans to sell these on. The Czech Army is currently undergoing a long-term modernisation and the government is increasing annual spending to match the agreed NATO 2% threshold for defence expenditure. Mr Metnar said the Ceasar howitzers came out best in terms of army needs suitability and price.

Experts from the RAWRA have shortlisted 4 localities for a potential deep storage facility for nuclear waste. The original list included 9 locations around the CR. The 4 sites include the villages of Janoch in South Bohemia near the Temelín nuclear power plant, Horka in the Třebíč region, Hrádek in the Jihlava region and Březový potok in West Bohemia. The waste storage facility should be built by 2065. The costs covering its construction and operation are estimated at around CZK111bn. The high level nuclear waste produce from the CR's nuclear power plants is currently being stocked on their premises.

The average gross monthly salary in the CR increased by 5% in the Q1 2020 to CZK34,077, according to the CSO. In real terms, taking into account inflation, wages increased by 1.4% which is the lowest figure since the end of 2013. The median wage, a midway between the highest and the lowest levels, was CZK29,333, up by 5.8% compared to the same period last year. Some 80% of employees earned wages between CZK 15,761 and 53,850 CZK. 2/3 of employees earned less than the average wage.

5 The unemployment rate in the CR rose to 3.6% in May, up 0.2%age points from the previous month, MLSA Minister Maláčová announced. At the end of last month, 266,144 people out of work, a rise of 12,104 from April. Maláčová said thanks to state aid, employers laid off or furloughed far fewer workers than anticipated, given temporary closings of businesses due to emergency measures to combat the spread of coronavirus. She said the majority of people who recently started looking for work had been employed mainly in the services, catering, tourism, hotel and transport sectors. Although the Czech unemployment rate is at a 2-year high, it remains among the lowest in the EU.

Aircraft from EU countries can again land at all airports in the CR as of June 5. This means that restrictions limiting arrivals to airports in Prague, Brno, Ostrava, Karlovy Vary and Pardubice have been lifted, but border controls will be maintained until the end of June. The Cabinet justified the resolution saying there is a greater threat of coronavirus spreading through airline travel than by car or railways. The Cabinet said police should carry out checks at airports in a flexible manner, in line with developments.

Jun 5 The Cabinet has decided to expel 2 Russian diplomats, giving them 48 hours to leave the country, PM Babiš announced on June 5. The move follows on bogus information that a Russian agent was sent to Prague in March to kill elected Prague officials using the poison ricin. Babiš and MFA Minister Petříček said the bogus plot stemmed from a dispute between Russian embassy staffers. One had fed false information to Czech intelligence services that the other was targeting Prague's Lord Mayor and district mayors who had taken symbolic steps angering the Kremlin. The weekly Respekt wrote in April that Andrei Konchakov, deputy director of the embassy's Russian Centre for Science and Culture, had brought ricin into the CR from Russia.

6 The CR has received an analysis of its pension system from the OECD, which it requested last year in view of pending reform. The report is to be published at the end of June. MLSA Minister Maláčová said she was pleased with the outcome, which confirmed the MLSA's own conclusions. She said the OECD analysis and recommendations made would be discussed by the pension commission at the end of June. The Cabinet has listed pension reform among its top policy priorities, but has been criticized by the opposition for dragging its feet on the matter.

Greenpeace has filed a criminal complaint against the mining company OKD and its management on the argument that it failed in its duty to protect public health in connection with the COVID-19 epidemic. According to Greenpeace the company made a serious error of judgement when it failed to suspend operation at the Darkov Mine in Karviná after an outbreak of COVID 19 among its employees.

More than half of Czechs (57%) who were planning holidays abroad have cancelled their plans due to the coronavirus pandemic, according to the Fair Credit. Those who do plan to go abroad will most often go to Slovakia, Croatia or Greece. Almost ½ of the respondents who will spend their summer holidays in the CR will stay at home, with relatives or in their own country cottage. Holidays abroad are slightly more likely to be favoured by younger people under the age of 35, who are generally less worried about the risk of infection.

7 With the reopening of borders, domestic rail and bus operators are renewing links to foreign destinations. RegioJet is providing the first trains to Slovakia on Sunday, Czech Railways and Leo Express will renew their links to Bratislava, Prešov and Košice on June 8. Train connections to Austria and Germany, will follow at a later date. As of June 14, Czech Railways will resume full operation of the Prague – Berlin – Hamburg / Kiel line and also the connections between Cheb and Nuremberg. The lines from Prague to Linz and also from Prague via Vienna to Graz are to be resumed in a week's time. There are still no trains running to Poland and Hungary, but RegioJet is planning to renew a bus connection to Budapest on June 12.

Unemployment in the CR has only seen a slight increase so far, despite the considerable impact of the coronavirus crisis. The unemployment rate in May rose by only 2/10 to 3.6%, as compared to the previous month. At the end of May, 266,144 people were out of work, 12,104 more than in April. However, analysts warn that the main impact of the recession on the labour market is yet to come. According to MLSA Minister Maláčová the unemployment figure should peak in June since redundancies are running in many companies, with a standard 2-month notice period.

Senate chair Vystrčil has said he will undertake a business mission to Taiwan, as planned by his predecessor, the late Jaroslav Kubera, despite fierce opposition from China. The Senate chair said he would be accompanied by a delegation of business leaders and considered it appropriate for the group to travel on a government plane.

8 The MI has proposed amending the National Security Act in a way that would enable the government to respond more flexibly to crisis situations such as the coronavirus pandemic. MI Minister Hamáček, who presented the proposal to the National Security Council, said at a press briefing that the change of law would entail the introduction of a "state of danger", which would be a milder form of the state of emergency which the government used to manage the crisis. Minister Hamáček said that the state of danger could be a follow-up on the state of emergency, giving the government the chance to rule by government decrees in the event of a pandemic or cyber-attack. According to the amendment, the cabinet should be given the opportunity to declare a state of danger for the whole or part of the CR. In dealing with the coronavirus crisis the government was criticized by the opposition for extending the state of emergency for longer than strictly needed. The change of law would require a constitutional majority in the lower house and will now be debated with the opposition.

A further easing of restrictions aimed at curbing the coronavirus epidemic came into effect on Monday June 8. As of that day public events and gatherings may involve up to 500 people, opening the way for weddings, exhibitions and fairs. Cinemas, theatres and concert halls are no longer bound to respect strict social distancing rules that severely limited the size of the audience and pubs and restaurants no longer need to close by 11 pm. Face-masks remain compulsory in enclosed public spaces such as public transport, shops, hospitals and institutions. Schools have reopened for secondary school students, although attendance is not compulsory.

9 The Cabinet has approved a proposal to increase this year's state deficit to CZK500bn in view of the additional expenditures relating to the coronavirus crisis. It is the 3rd increase in the budget deficit proposed since the start of the coronavirus crisis. In April the ChD agreed to increase the 2020 deficit to CZK300bn. Prior to the pandemic the budget deficit was projected at CZK40bn.

Jun 10 Anti-government demonstrations took place in Prague and 160 other places in the CR June 9 evening. Around 1,500 people attended a demonstration on the capital's Old Town Square organised by protest group Million Moments for Democracy, who say that Babiš's government failed to implement sufficient economic measures in response to the coronavirus crisis and that some procurements of medical equipment were not transparent. The organisers created a grid of temporary markings on Old Town Square ahead of the protest that signalled where participants should stand to ensure social distancing.

During its upcoming EU presidency in 2022, the CR wants to focus on developing the union's internal market, security, digitisation and new technologies, State Secretary for European Affairs Hrdinková told the Committee on European Affairs of the ChD on June 11. Other priority areas include sustainability and social cohesion. Ms Hrdinková highlighted that the list of priorities will be narrowed down in the future, depending on how the situation in the EU develops, and that this is a work in progress. This stance was supported by some deputies from the ChD, who fear that such a wide range of priorities may make these plans hard to realise. The first official priorities list should be announced next year.

According to the STEM, if elections into the ChD were held in May, the ANO would receive 33.7% of the vote, a 2.9% increase compared to voter preferences measured in March, ahead of the coronavirus countermeasures adopted by the government. The Pirates came in 2nd with 12.8% of the vote, followed by the ODS with 11.4%. Both parties have seen their share fall compared to previous months. The ČSSD saw their share of the hypothetical vote rise to 8.9%. The KSČM would come in 5th with 7.3%, followed by the SPD which would receive 6.5%. The last party to surpass the 5% minimum to get into the ChD is the KDU-ČSL, with 6.1% of the vote. The current opposition TOP 09 and STAN both polled below the threshold. The STEM poll suggests voter turnout would see 55% of eligible voters turn up to voting stations.

The Coalition agreed to lower the rate of the planned digital tax to 5%. If passed by Parliament, the tax will be paid by internet companies operating with a global turnover of €750mn or higher. A further condition is that these companies' annual turnover in the CR is at least as high as CZK100mn. Originally the plan was for the tax to be 7%. However, MF Minister Schillerová proposed a lower rate on the basis that the original rate was the highest among countries which are planning to implement the digital tax.

11 The Smartwings restored its flight connection from Prague to Split on June 10, which will operate 3 times a week. Further connections between Greece, Spain, Cyprus, Bulgaria and Czech airports are to be restored in July. ČSA, which are currently flying to Paris, Amsterdam, Bucharest, Frankfurt and Stockholm, announced they will restore connections to Kosice, Budapest and London by the end of June. Meanwhile Ryanair has announced that it will restore twenty flights from Prague from July 1, although the specific destinations of the flights have not yet been announced.

The CR 8th on the 2020 Global Peace Index, climbing two places up the ladder as compared to last year, according to this year's report by the Institute for Economics & Peace.

This year's economic downturn in the CR will be the 5th steepest in the world, according to an estimate by the OECD. According to the projection only the United Kingdom, Italy, Spain and France will be worse off. The OECD predicts that the Czech gross domestic product will fall by 9.6% this year, and the CR will experience a recovery in 2021 when the economy will grow by 7.1%. In the event of a 2nd wave of the coronavirus epidemic in the autumn, the GDP would fall by 13.2%, and next year it would rise by only 1.7%. The CR has seen healthy growth in the past years which accounts for the predicted steep fall this year.

The EU recovery funds must be distributed fairly among EU member states and the poorer countries which observed fiscal discipline before the coronavirus crisis should not be placed at a disadvantage, the prime ministers of the Visegrad states agreed.

12 The MH is planning to further ease restrictions taken to curb the spread of coronavirus as of June 15. As of that date, it will once again be possible to sell refreshments in theatres and cinemas. However food and drinks will be prohibited during the screening itself, since visitors will still be obliged to wear face masks inside cinema and theatre halls. The rule that a certain amount of seats must remain empty to comply with social distancing rules was scrapped a week ago. As of June 22 the government should allow public gatherings of up to 1,000 people.

The Czech population rose slightly in the Q1, by 425 people, to level of 10.694mn people, preliminary CSO's data show. Meanwhile, there were only 3,500 marriages through March, 600 fewer in annual terms, due to coronavirus restrictions. During the quarter, 16,100 people immigrated to the CR, a rise of 800 people yoy.

14 MFA Minister Petříček says the planned Taiwan trip of Senate chairman Vystrčil does not contradict Czech foreign policy regarding China. He said the trip would not fundamentally damage relations with China. Petříček noted that Beijing is taking a harder line on those who maintain contacts with Taiwan, including the city of Prague.

Support for ANO party fell 2.5 points to 31.5% in May while the ČSSD held steady at 5.5%, according to a poll by Kantar CZ. The Pirates gained 1 point (17%), the ODS 2 points (13.5%) and the SPD 1 point (to 8%). Support for the STAN held at 5.5%. Now polling at the 5% threshold for entering parliament are the KSČM (down 0.5 points) and Top 09 (down 1.5 points). The KDU-ČSL are down 1.5 points (4%).

Jun 15 The Russian MFA summoned Czech Ambassador Pivoňka inform him that 2 of his fellow diplomats would be expelled as a retaliatory measure. They have been given until June 17 evening to leave the country.

A number of restrictions put in place to contain the spread of the novel coronavirus within the CR have been suspended as of June 15, including the obligation to wear facemasks outdoors. They are still required indoors and on public transport. The latest round of gradual lifting of restrictions means people can also once again eat and drink on site at farmers markets, restaurants can offer cold buffets, and saunas and swimming pools with flowing water can operate. Cinemas and theatres can offer refreshments, but spectators are not allowed to consume them in the performance space, although they can sit directly next to each other. Up to 2,500 people can attend outdoor events, such as sports matches, provided that organizers divide the venue into sectors of at most 500 visitors, with no mixing between these groups on the grounds. However, they must wear facemasks. The MH published a new “traffic light map” detailing countries that residents can safely travel to and from without needing to undergo testing or quarantine. As of June 15, Czechs will likely need to provide a negative test only upon arrival from Portugal, Sweden, and the Silesian region of Poland.

16 The MFA has begun accepting applications for work permits from nationals of EU states for the first time since the coronavirus crisis began. The CR’s Qualified Worker Programme is now open to applicants at Czech diplomatic missions in Ukraine, a major source of labour in the CR, as well as Serbia, Mongolia, Moldova and Kazakhstan. The move comes in response to high demand from Czech employers for workers from other countries, the MFA said.

17 Prague’s Václav Havel Airport has been one of the worst hit in Europe by the coronavirus crisis, according to a Eurostat. The CR’s main airport saw a yoy decline of 65% in travellers in March. Some other Czech airports were even harder hit the month Covid-19 was first detected in the CR. Brno’s airport recorded a 69.4% fall in passenger numbers, while traffic at Ostrava airport was down by 76.7%.

O2 telecom operator has launched the next generation 5G network in parts of Prague and the Central Bohemian town of Kolín. O2 has thus become the first major mobile network provider in the country to offer 5G to its clients. The network should be available to around 15% of Prague residents during the summer, specifically in the Old and New Towns, Vinohrady, Nusle, Dejvice and Bubeneč.

18 The chairwoman of the EP’s Budgetary Control Committee Hohelmeier, has criticized PM Babiš’ potential conflict of interest and efforts to intimidate members of the committee who travelled to the CR in February to gain greater insight into possible mismanagement of EU finances. Speaking ahead of a EP vote on the PM, MEP Hohlmeier said she was convinced the conflict of interest was real, saying the only solution was for the prime minister to sell his business interests, stop receiving any public subsidies including EU funds, or step down from office.

The Cabinet has come under fire from the opposition for dragging its feet on measures aimed at curbing the impacts of drought and soil erosion. Ahead of a debate in the ChD on bills relating to these issues the Pirates presented a set of measures for improving water management, sustainable agriculture and a more ecological administration of towns and villages, pointing out that all these changes were long overdue. It is also proposing a series of amendments to the government-proposed bills on the table.

Facemask wearing in public transport and internal spaces, with the exception of places with high infection risk, will no longer be compulsory from July 1, MH Minister Vojtěch announced. The high-risk exceptions currently include Prague and Karvina, a town near the Polish border, which recently saw an outbreak of COVID-19. Compulsory facemask wearing was instituted on March 19, days after the institution of a nationwide quarantine. It was partly eased on May 25.

19 The Cabinet will appoint Jarmila Rážová the CR’s chief hygiene officer on June 22. Mrs Rážová was selected out of 3 candidates in an open competition. Mrs Rážová has been temporary in charge of the office since mid-March. She replaced Eva Gottwaldová, who was dismissed for failing in her duties.

The number of COVID 19 cases registered in the CR on Jun 18 reached 118, the highest number in over a month. In the past 2 weeks the number of new cases registered daily has been below 50. The increase comes in the wake of a significant easing of restrictions. The number of cases detected since the start of the epidemic is 10,280. 334 people have died of the infection or related complications, 7,440 have recovered. Currently 2,506 people are fighting the disease.

The EP is expected to debate the potential conflict of interest of PM Babiš and vote on a resolution calling for the issue to be resolved.

22 A further loosening of coronavirus restrictions took effect in the CR. The number of people permitted at public gatherings will be raised from 500 to 1,000. Swimming pools, zoos, museums, galleries and castles will no longer be required to limit the number of visitors. Trade fairs with up to 5,000 people will also be allowed. The requirement to wear face masks on public transport and other public places will end completely on July 1, with the exception of high-risk areas.

Jun 22 The MA has received an CZK8bn loan from the EIB. The money is to be used for a series of hydro-projects, such as the building of new reservoirs and anti-flood measures. It should give 24,000 people better access to drinking water and secure better protection against floods for 47,000 inhabitants of high-risk areas. It will also go to pay for new sewage systems and new water reservoirs needed in view of the increasingly frequent droughts.

The CR's external debt amounted to CZK4,495.4bn at the end of the Q₁, according to the CNB. The sum amounts to 79.2% of the CR's GDP. It recorded a yoy increase of CZK103.5bn. In the Q₁2020, the CR's international investment position (the balance of its financial assets and liabilities with respect to non-residents) recorded an increase in deficit of CZK378.7bn to CZK788bn at the end of March. The deficit dropped by CZK363.6bn, yoy, and represented 13.9% of GDP at current prices.

23 This year's fruit harvest will again be meagre due to spring frosts and heavy rainfall. Although the harvest should increase by 3.8% in annual terms, it is 12% below the 5-year average. Frosts significantly reduced the harvest of apricots and cherries, especially in Moravia, while apple growers in Bohemia also expect a substantial drop.

24 The V4 countries will make joint purchases of munitions for small weapons, their ministers of defence agreed. The CR's presidency of the group is ending but it will still oversee the project, MD Minister Metnar said. Mr. Metnar said the project could be completed this year. The Czech Republic is just about to hand the presidency of the V4 over to Poland.

Cabinet measures aimed at protecting the economy from the impact of the coronavirus crisis amount to a total of CZK1.15tn, the MF Minister Schillerová said. This amounts to 20.8% of the CR's GDP. The latest figures are higher than those presented by the MF at the start of May and follow changes to those original plans, officials said. Minister Schillerová says the CR is 2nd only to Germany in direct budget aid. However, Brussels think tank Bruegel says the CR offers the lowest support when it comes to the deferral of taxes and levies, and is 4th highest in the case of guarantee schemes.

The Czech Republic's largest brewery, Plzeňský Prazdroj, saw record turnover of CZK17bn in 2019. The makers of the lager Pilsner Urquell registered profits of CZK4.8bn last year, a yoy increase of around CZK300mn. As well as Pilsner Urquell, another export brand, Velkopopovický Kozel, also performed well in 2019. Plzeňský Prazdroj exports to over 50 countries.

The EC has begun examining in detail whether the Czech Post is not receiving too much state compensation for providing a mandatory postal service. The EU executive arm is examining whether the amount of up to CZK7.5bn provisionally earmarked for the period 2018 to 2022 does not violate EU state aid rules. The Cabinet approached the EC with a request for approval of the state support in January. Brussels is now responding to a complaint from 2 competing companies and may order the CR to limit the aid. Already in November, the EC received a complaint from postal competitors that the amount for basic Czech postal services was too high.

25 Rohlík.cz, the largest Czech online grocery company, has expanded to Bulgaria. The company has bought a stake in the local e-shop Ebag.bg for €1mn. Rohlík.cz entered its first foreign market at the end of last year, opening a new online store in Hungary. The founder and majority shareholder of Rohlík.cz, Tomáš Čupr, also plans to expand to Austria and Germany this year. The company's turnover exceeded CZK4bbn in 2019, which was an increase of 60% on the previous year. Rohlík.cz currently has around 450,000 customers.

26 Czech price comparison website Heureka.cz filed a lawsuit against Google at the Prague Municipal Court on Friday. The company is suing Google for nearly CZK 395 million in lost profits, because the American internet search giant continues to abuse its dominant position on the market. According to Heureka.cz, Google favoured its own price comparison tool Google Shopping ahead of other competing platforms. The malpractice was already punished by the EC in 2017, when Google received a €2.42bn fine. The American search giant subsequently implemented changes to its system. However, seven European price comparison companies, Heureka.cz among them, say these are insufficient and have decided to file lawsuits against Google. It expects other companies to follow suit.

27 China's ambassador to the CR says he does not see why the countries would insist on destroying mutual relations that are in the interest of both nations. Zhang Jianmin made the comment in an interview centred on a planned trip to Taiwan by Czech Senate speaker Miloš Vystrčil. Mr. Zhang said some people were still stuck in a Cold War mentality and overlooked facts and believed everything stemmed from ideology or political objectives. Mr. Vystrčil has said he will visit Taiwan in late August not just for business reasons but also because in his view senior Czech politicians have not responded sufficiently to Chinese pressure to abandon the planned trip. Earlier this year China put pressure on the previous upper house speaker, Jaroslav Kubera, to drop his intention to visit Taiwan. Mr. Kubera died of a heart attack soon afterwards.

29 The Cabinet has objected to parts of a EP's resolution adopted on June 19 about the alleged conflict of interest of PM Babiš. According to the government's draft response, the cabinet states MEPs have via that resolution interfered in the internal and political affairs of an EU member state, ČTK reports.

The MFA is lobbying for the CCC's president Dlouhý to be appointed head of the OECD. Mr. Dlouhý has also launched his own campaign for the position. The current head of the OECD is due to step down next year.

Jun 30 20% of Czech adults have had to watch their spending in the wake of the coronavirus crisis, while 400,000 people – or around 5% of the population – have been left with serious financial problems, suggests the STEM's study. The regular index of the financial situation of households is now at the same level as it was in 2017, its authors said. KPMG said many people had accumulated savings, major redundancies have not yet arrived and there had been no obligation to repay deferred liabilities. It said this was a kind of calm before unfavourable data that will hit at a later date.

Czech auto makers and parts manufacturers expect a fall of at least CZK215bn in revenues in 2020, the AIA said. While 1.4mn cars were produced last year, the figure for 2020 is expected to be 300,000 lower. This is because of an interruption in production and a fall in demand stemming from the coronavirus crisis. The downturn caused by the pandemic has already caused CZK150bn in losses and these are expected to further deepen.

The government has proposed allowing self-employed persons with an annual income of up to CZK800,000 to pay a flat tax as of next year of CZK5,740/month. The flat-rate tax includes health insurance premiums of CZK2,514, income tax in the symbolic amount of CZK100 and a 15% higher minimum social insurance premium (CZK3,126 as of 2020). MF Minister Schillerová said the aim is to reduce bureaucracy, both in terms of administration and eliminating most reasons for tax office inspections. The higher social insurance premium aims to help self-employed people save more for their retirement, as most now pay only the bare minimum. In opting for the flat tax, self-employed people would no longer be able to apply any other tax rebates and discounts, such as for dependent children.

Strict measures were imposed in the areas of Karviná and in Frýdek-Místek in the Moravian-Silesian Region, which have seen local outbreaks of Covid-19 in recent days. There is a fresh ban on visiting hospitals or social care facilities, the maximum attendance at public events is 100 and restaurants and bars must again close at 11 pm. People must also continue wearing facemasks in enclosed spaces and on public transport.

Jul 1 The Czech budget deficit rose to CZK195.2bn at the end of June, compared to CZK157.4bn at the same time in May. The government is currently hoping to pass a total budget deficit of CZK500bn for 2020, which includes a multitude of COVID-19 relief measures, through the ChD.

A new system of vouchers, through which the state will support Czech spas, launched on July 1. People aged over 18 who pay health insurance will be able to generate the coupons, which offer discounts of up to CZK 4,000, on the website of the MH, events site Kudyznudy.cz or directly at the spa. The government has allocated CZK1bn from the state budget for the programme, which will run until the end of 2020. PM Babiš said the government is also considering issuing a contribution of between CZK200 to 400 for renting rooms on holidays.

The annual QS World University Rankings table for 2021 has placed 10 Czech tertiary education facilities in its worldwide top 1,000 list. Charles University performed the best, placing 260th, followed by the University of Chemistry and Technology in 342nd place and the Czech Technical University in Prague that ranked 432nd. All 3 universities improved their rankings as opposed to last year. Brno's Masaryk University, the Palacký University in Olomouc, the Technical University of Liberec, the Czech University of Agriculture and the University of Pardubice all ranked between the 500-1000 spots. Czech newcomers Mendel University and the Brno University of Technology also placed on the list.

2 The CR is the best destination in Europe for manufacturers seeking to scale up their production, according to a study carried out by the agency Cushman & Wakefield. Globally, the CR came 4th behind China, USA, and India, up from 5th place last year. Among the major contributing factors are the country's strategic position in the centre of Europe with good transport infrastructure, advanced local businesses, an economic and political environment with a low rate of risk and also moderate labour, energy and development costs, the study suggests. In terms of the risk rating, the CR came 7th this year, with Germany being the only European country to outperform it.

3 The OKD mining company has gradually started closing its two black coal mines in the Karviná region. The company's management has ordered operation in the mines to be suspended for 6 weeks due to the spread of coronavirus infection among the miners. A skeleton staff of around 200 people will remain in the mines for routine work related to maintenance and safety.

The CNB agreed on that there is no need to further loosen monetary policy in connection with the economic impacts of the coronavirus crisis. Its drastic easing, which took place in previous months, was, according to the board, adequate and creates sufficiently relaxed monetary conditions. The 2-week repo rate is currently set at 0.25%, the Lombard rate at 1.00% and the discount rate at 0.05%.

7 The Czech economy is expected to drop by 7.8% this year as a result of the coronavirus pandemic, which is significantly more than originally expected. In its latest macroeconomic estimate, the EC worsened this year's outlook for the Czech economy by 1.6ps as compared to its May forecast. In 2021 the CR's GDP should increase by 4.5%, but even that is half a point less than the EC predicted in its spring estimate. According to the EC, the decline in the Czech export-oriented economy will be significantly affected by the slowdown in industrial production as well as lower demand in other European countries. The stagnation of the car industry will have a particularly significant impact, Brussels predicts. . The EU economy is expected to fall by a record 8.3% this year.

Jul 8 The ChD has approved a budget deficit of CZK500bn for 2020, which is the highest gap on record. It is the 3rd time MPs have voted to increase the budget deficit since the start of the coronavirus crisis. The original figure envisaged by the state was CZK40bn. Later votes raised that sum to CZK200bn and then CZK300bn. Prior to the vote the MF Minister Schillerová said she hoped it would be the last such move this year.

This June had the highest recorded rainfall since 1961, the Czech Hydro-meteorological Institute said. The amount of precipitation was double the long-term average for the sixth month of the year. The Pardubice Region was the wettest part of the country, with rainfall almost 3 times the long-term average.

The press secretary of Vladimir Putin has described Czech-Russian relations as “muddy” at present, he said the Russian government had no plans for high-level contact with the CR in the near future. These comments come after the arrest in Moscow of former journalist Ivan Safronov. His lawyers say he has been accused of treason over alleged links to the Czech intelligence service. Interfax also referred to a recent situation in which Prague politicians, believed to face a Russian threat, were given police protection. In addition the Cabinet expelled 2 Russian diplomats, a move that was reciprocated by the Kremlin.

The ChD has approved the abolition of the CR’s real estate acquisition tax. However, MPs rejected another government proposal and preserved the possibility of deducting interest paid on mortgages from one’s income tax base. MF Minister Schillerová had wanted to abolish it from 2022. The real estate acquisition tax rate, which replaced the earlier transfer tax, is 4% and is paid by the buyer. In recent years it has generated around CZK13bn for the state annually.

9 Roughly 3 out of 10 Czechs say their economic situation took a downturn during the coronavirus pandemic, according to the Median. Some 12% of people reported an improvement in their economic situation while 57% said their situation remained unchanged. About 1/4 of people said their financial situation had worsened slightly, while 4% said they were experiencing serious financial difficulties.

Deputies from the Pirate Party, KDU-ČSL, TOP 09 and STAN have called on PM Babiš to support the EC’s €750bn recovery plan at the upcoming EU summit next week. According to MPs, the CR will benefit in the long term from the recovery of other economies, since most of the CR’s exports are destined for European markets. The PM has repeatedly criticised the fund as being overly generous to some states and disagrees with the criteria according to which the aid would be allocated.

9 in 10 people in the CR are planning to spend at least part of their summer holiday in the CR this year, suggests the STEM. The most popular destinations are South Bohemia and South Moravia, while there is less interest in North-western Bohemia and Prague and its environs, the study indicates.

10 Consumer price growth accelerated to 3.3% in June from 2.9% in May. Czechs are paying more for food and housing as well as alcohol and tobacco. On the other hand, the prices of transport and telecommunications services have dropped slightly. The growth in inflation has exceeded the expectations of both the CNB and analysts. The CNB thus has no reason to consider further easing its monetary policy and is likely to tolerate a possible strengthening of the crown.

11 Yoy growth in Czech property prices in the Q₁ 2020 rose to 9.5% compared to 8.9 in the previous quarter, Eurostat data shows. The CR thus has the 6th fastest rate of property price growth in the EU. Luxemburg, Slovakia, Estonia, Poland and Portugal all ranked ahead of CR in terms of price growth and exceeded 10% growth in the Q₁.

12 ANO party retained its polling dominance in June placing first with a hypothetical 32% of the vote according to the Kantar. The Pirates placed 2nd with 18% of the vote, a 7% increase compared to the previous month. They are followed by the ODS in 3rd place with 13%. The top 3 are far ahead of the other parties that have a chance of breaching the 5% voting threshold to get into the ChD. The STAN would receive 6% of the vote, followed by the KSČM, TOP 09 and the SPD who all polled at 5.5%. The coalition ČSSD received 5%. The only party currently in the ChD not to poll at 5% or more were the KDU-ČSL, who would receive 4.5% of the vote. The right-wing Tricolour party increased its polling slightly to reach 3% of the hypothetical vote.

13 Prague City Hall will add another CZK46mn to a special fund to support entrepreneurs affected by anti-coronavirus measures through interest-free loans. Previously, the Czech capital had allocated CZK640mn to the fund, which seeks to aid entrepreneurs unable to apply for funds through the government’s Covid II relief programme. Prague Mayor Hřib said earlier that the move would allow the city to guarantee loans of up to CZK1.55bn, through the ČMZRB. Entrepreneurs can apply for interest-free loans ranging from CZK10,000 to CZK15mn, or for a contribution of up to CZK1mn to pay interest.

With a 66.9% downturn in yoy revenue, Prague hotels fared second worst among all European cities after Rome during the worst phase of the coronavirus crisis, according to C&W. Prague hotels also came in 2nd worst after Bratislava in terms of the amount of occupied rooms in May, when respondents from the Czech capital said they only had 2.5% of rooms filled. The survey showed that 79% of hotels plan to be open during the summer months, with 97% to be open from September onwards. Asked about the support from the state they would want, 83% of Czech hoteliers said contributions to salary payments and 79% said tax exemptions. The 3rd most popular measure was investment into tourism, which was supported by 72% of respondents.

Jul 13 The Czech capital's debt stood at CZK18.7bn as of June 30, down CZK1bn in annual terms, following repayment of loans from the EIB. Deputy Mayor Vyhnánek said the capital has an approved budget for this year with revenues of CZK60.7bn and expenditures of CZK81.6bn. The volume of Prague's liabilities to the EIB is CZK8.61bn and the annual amount of depreciation for 2020 and 2021 is about CZK0.763bn, Vyhnánek said. The remaining debt consists of bonds, which amounted to CZK10.08bn as of June 30.

14 The multinational airline conglomerate Smartwings Group, whose portfolio includes Czech Airlines, is set to begin downsizing, with the total amount of layoffs reaching around 15% of the company's domestic workforce. This week Smartwings plans to release 50 pilots, 75 stewards and stewardesses, as well as 45 support staff, Deputy-Chairman of the Smartwings TUs says a further 120 to 190 cabin crew are set to lose their jobs. In total Smartwings is expected to release 600 of its 2,500 employees.

MEPs from the Committee on Petitions in the EP have called on the EC to toughen its approach to Poland in regards to continued activity in the country's Turów mine near the Czech border. The committee did so after consulting a petition penned by citizens from the Northern Bohemian Liberec Region who complain that the mining activity is depriving many local communities of drinking water. The Majority of MEPs who took part in the discussion agreed that Brussels should initiate infringement proceedings against Poland for breaching EU law. In May, Poland decided to authorise continued mining in the Turów mine for another six years, despite argumentation from Czech authorities and citizens from the Liberec Region that this was in breach of EU directives on the environment and drinking water supply.

15 PM Babiš is the sole recipient of the profit of the Agrofert, which he placed in trust funds to comply with a law on conflicts of interest. According to iRozhlas, this follows from the funds' statutes, which are not publicly available. The documents stipulates several situations in which Agrofert would return to Babiš without undue delay, such as his leaving politics. They also include provisions prohibiting him from exercising influence over Agrofert while in office. He has not commented on the server's findings. A draft EC's audit in December found that Babiš continues to wield effective control over Agrofert, whose companies have long received substantial EU and Czech subsidies. Brussels subsequently demanded the return of some EU subsidies and blocked the issuance of others. The Cabinet is threatening legal action to get the money flowing again.

16 Prague City Hall and the government are close to agreeing on terms towards build a new government quarter in the Letňany district, PM Babiš said following a meeting with Mayor Hřib. Babiš argues that locating certain ministries and other government organs from the city centre to Letňany would save taxpayers some CZK378mn annually in rent. In exchange, Prague City Hall has asked for land swaps and for the government to finance and finish construction on an outer ring-road around the Czech capital, and build a new hospital, among other things. Babiš told reporters that the state hopes to sign a memorandum with the municipality by mid-September.

The average interest rate on a Czech mortgage fell to 2.21% in June, when interest in obtaining a mortgage reached its highest level since November 2018. The volume of provided mortgage loans increased by almost CZK4.5bn in June compared to May and approached CZK21bn. Most retail banks reduced their mortgage rates this year following the lead of Česká spořitelna, the ČSOB Group and Komerční banka. The average mortgage loan provided amounted to CZK2,748,954.

The new permanent commission for railway safety has recommended boosting investment in local lines following a series of fatal accidents and derailments this summer. MT Minister Havlíček said that safety measures at railway crossings are also a priority. The commission for railway safety is due to meet every 2 weeks to assess progress.

17 The CR remains committed to lobbying for change in the way Europe will hand out financial support as part of its coronavirus relief fund, PM Babiš said ahead of an EU summit of presidents and PMs set to start on July 17. The Cabinet also wants greater EU budget flexibility so that countries are less committed to investing in environmental sustainability. The summit will be centred on the future EU budget and the crisis relief fund.

The CR's government debt rose to by CZK516.7bn to a total of CZK2.16tn. It is the highest level ever in the history of the country. In June, the MF's financing strategy projected that government debt at the end of 2020 will lie at CZK2.12tn. The skyrocketing of debt is primarily the result of the MF issuing bonds to cover for this year's budget deficit, which has risen from the originally planned CZK40bn to CZK500bn mainly thanks to a combination of coronavirus related relief measures and investments. The MF says the average yield of the bonds it has issued lies at around 1.15% per annum and informed that it has now covered 77% of the funds needed to finance the debt in the national currency, some CZK533bn. The long-term bonds, issued in the H₁ 2020 were mainly aimed at covering the deficit and paying for already existing bonds, most of which are scheduled to be paid in the second half of this year. According to the MF this should lead to a lowering of the absolute size of government debt so that relative debt to GDP will not exceed the level reached in 2013, when that ratio was at its highest with 44.9%.

Jul 17 The wearing of face masks in public transport and interior spaces will be compulsory across the Moravian-Silesian Region from July 17 after it is announced by the regional hygienist office, MH Minister Vojtěch said. The measure is set to come into effect as soon as an official order is released. Hospital and senior home visits will only be possible with a respirator. Meanwhile, public event maximum capacity will be capped at 100 people and bars, restaurants will have to be closed between 11pm to 8am. Cross-border workers will be required to take a negative COVID-19 test every 2 weeks, the health minister wrote. The most significant coronavirus outbreak in the CR has been going on for several weeks in the region's north-eastern Karviná district.

Czech automobile manufacturer Škoda Auto has seen its yoy sales fall by 31.3% in the H₁ 2020. Thus far, Škoda has sold 426,700 cars this year and the automobile manufacturer has been heavily impacted by the coronavirus crisis. However, a sign of improvement may be the fact that the yoy decrease lay at only 16% for the month of June, compared to more than 45% in May.

19 PM Babiš says the CR could get almost CZK75bn more than anticipated from the EU Renewal Fund and in the next multi-annual budget. Babiš noted that the final amount could change. But he said that Czechs had negotiated the highest subsidies of all EU countries, much of which will go towards regional development. Some EU member states believe the proposed €750bn recovery package, to mitigate the economic impact of the coronavirus crisis, is too large. Other, such as the Netherlands, Austria, Sweden and Denmark, insist most funds be dispersed as loans rather than grants.

The American pharmaceutical company Novavax plans to produce an eventual anti-coronavirus vaccine at its Czech plant in Bohumil. The individual doses may be filled in Germany, where a booster substance made in Sweden will be added. Novavax bought the company Praha Vaccines in May to gain the capacity to produce over 1bn doses of its Covid-19 vaccine candidate. The company received the Trump administration's largest vaccine contract although Novavax has never brought a vaccine to market in its 33-year history. Its technology uses moth cells to produce crucial molecules at a much faster rate than typical vaccines, a big advantage in a pandemic.

20 During a break in the marathon negotiations on the EU economic recovery fund, PM Babiš said he understood the concerns of Austria, The Netherlands and the Scandinavian states regarding the size of the grants package distributed and welcomed the proposal to see it cut to €390bn from the original €500bn. He said this would inevitably reduce the end contribution to all states, including the CR. The PM has argued in favour of a fair distribution of funds, saying taxpayers in fiscally disciplined countries should not be put on the hook to repay loans that would benefit countries with little or no fiscal prudence, which had been deep in trouble even before the pandemic hit. On the other hand the PM stressed that revitalizing the European economy was vital for CR's own prosperity.

The Cabinet has confirmed Czech participation at Expo 2021 in Dubai. The postponement of the expo by a year due to the coronavirus crisis will increase the cost of Czech participation by an estimated CZK25.2mn, according to government sources. Originally the cost was estimated at between CZK260mn and CZK310mn depending on the degree of involvement of the private sector. The CR is reported to be one of the few countries which have almost completed their pavilion for the expo in Dubai which was originally scheduled to take place this year.

The planned introduction of a 4th mobile operator onto the Czech market faces further delays, with a new licence unlikely to be issued before spring 2021. The main reason for the delay is the announcement of new auction conditions for the eventual new operator, the daily says. It notes interest now for several new domestic contenders, including Czech lottery company Sazka and power company ČEZ. The CTO originally planned a deadline at the turn of 2019 and 2020, with the allocation of frequencies to take place before the spring. Czechs are currently served by Vodafone, T-Mobile and O2, and pay more for data service than in most EU countries.

21 The CR will draw €35.7bn from the EU budget in the next seven years, following agreement on a huge post-coronavirus recovery package. In addition the CR will be able to access up to €15.4bn in low-interest loans. Mr. Babiš described the outcome of the EU summit as good for the CR. He said the flexibility of money transfers between different EU funds would increase compared to the current budget period and that this was crucial for the country. The CR stands to receive nearly €4bn more between 2021 and 2027 than under the present 7-year budget.

The OPCR's head of the Foreign Department Jindrák has been approved as the government's special envoy for talks with Russia aimed at reducing tension in bilateral relations. MFA Minister Petříček said that he expected the negotiations to cover a wide spectrum of issues, not just the sore points in bilateral relations. Czech-Russian relations have been increasingly strained in recent months by a the row over the statue of Soviet marshal Ivan Konev, a bogus information plot in which the BIS was fed information that a Russian agent had been sent to Prague to kill elected Prague officials and the subsequent mutual expulsion of diplomats.

22 The sales prices for new flats in Prague saw a yoy increase of 6.1% to CZK108,261/m² in H₁ 2020. The rise in prices in the Q₂, which was affected by the countrywide coronavirus lockdown, reached 1.8%. Prices for newly built flats in Prague have risen by 95% over the past 5 years.

Jul 22 The Cabinet, in cooperation with its advisory team from the NERV will devise a National Economic Strategy, which is set to be finished by autumn of this year. The plan will then be presented to the government and ChD. It will be centred around making use of the CZK182bn allocated to the CR through the EU's coronavirus recovery fund and focus on investments into areas such as transport and energy, MT and MIT Minister Havlíček said. Around 70% of the strategy is already worked out, Havlíček said, and will draw on the findings of the already complete National Investment Plan. According to PM Babiš, the state will need to prepare for the negative consequences of the COVID-19 pandemic on the automobile industry, which makes up around 11% of the Czech GDP and more than 20% of its exports. The EU funds should be used mainly on energy efficiency, digitisation, education, child and health care, the PM said.

The CBA predicts the domestic economy will decline by some 7.5% this year due to the coronavirus pandemic. In 2021, the economy should grow 5.3%. The CBA's estimates do not factor in a possible "2nd wave" of the coronavirus pandemic in the autumn, nor the repetition of widespread measures to contain the spread of the disease. Economists of member banks agree the most significant decline in GDP occurred in the Q₂ and expect that the economy will return to its 2019 level at the earliest in 2022. The consensus view is that unemployment will be twice the pre-crisis level both this year and in 2020.

24 The EU has refunded a large part of the cost of bringing Czech nationals and other EU citizens back home at the start of the coronavirus epidemic this year, the MFA said. According to the MFA, the EU covered 75% of the cost, paying CZk77mn. The repatriation effort brought home over 5,000 Czechs and close to 1,000 citizens from other EU member states. MFA Minister Petříček said he appreciated the contribution saying it further demonstrated European solidarity in a crisis.

26 Czech-produced honey will be in short supply this year, leading to higher prices. Some beekeepers say it could be the worst season for honey production in this part of the world for half a century after adverse weather conditions led to low levels of nectar in the relevant plants. Czech producers have warned that higher prices for domestically made honey will lead to increased imports of lower quality honey from abroad. Unscrupulous "producers" could use prohibited substitute substances in their honey, meaning that Czech officials would have their work cut out carrying out quality inspections.

27 MH Minister Vojtěch presented a "traffic lights" system based on 3 levels of measures intended to contain the spread of Covid-19. Mr. Vojtěch said the new system, designed as a pandemic plan, would identify the coronavirus risk in different districts and would spell out specific public health measures as well as instructions to hospitals with regard to readiness for patient influxes. The districts will be rated according to a number of criteria, among them community transmission numbers. Coronavirus-free areas will be marked white. Minister Vojtěch said this differentiation was essential due to the fact that the situation now varied radically from one district to another. A traffic lights system rating the coronavirus risk in individual countries has been in place for some time to help clarify the conditions under which Czechs can travel and under which foreign visitors can enter this country.

The Cabinet is setting up a new central agency to oversee its smart quarantine programme intended to improve the tracing of people who are Covid-19 positive. Both the Czech Army and the Ministry of Health would be involved in the programme. The special body overseeing the smart quarantine programme will have 8 members, led by PM Babiš. The MH has come under fire for allegedly failing to implement the smart quarantine properly and Deputy PM Hamáček has called for the army to get re-involved in it.

28 The Cabinet and the ČEZ have signed a contract regarding the planned building of a new unit at Dukovany. In addition to an umbrella deal, the two sides also signed a contract that defines the zoning permit for the site of the construction as well as the selection of a supplier by 2024. ČEZ CEO Beneš said the ČEZ would like to select a company to build the unit by the end of 2022. The tender for the job should be published in December this year.

The Cabinet will turn to the EC for assistance in resolving the Czech-Polish controversy over the planned expansion of the Turów brown coal mine located in the close proximity to the Czech border, ME Minister Brabec said. The expansion was approved by the Polish authorities, despite Czech concerns that it would threaten water sources for villages on the Czech side, as well as severely increasing noise and dust pollution. The Czech-Polish dispute goes back to 2016 when the CR first protested against the planned expansion requesting information on the impact on water resources, agricultural land and other habitats, as well as air and noise pollution on the Czech side of the border. Efforts to halt the project have been unsuccessful, with Poland arguing that adequate measures were being taken to protect inhabitants and land on the Czech side of the border from any negative side effects. The CR has said it is ready to take the matter to the ECJ if a solution is not found.

The Czech brewing industry lost over CZK4.7bn from March to May due to the coronavirus situation and associated government measures. The closure of restaurants and pubs had the greatest impact, with such businesses selling 728,000 fewer hl of beer in the 3-month period. However, there was also an increase in sales of beer in shops during the lockdown. The losses would also impact the state budget, due to a decline in both VAT collection and excise duty on beer.

Jul 29 The CR received CZK50.1bn more from the coffers of the EU in H₁ 2020 than it contributed to them, the MF said. In the same period last year the CR was a net beneficiary of EU funding to the tune of CZK24.4bn. The increase mainly stems from the CR receiving higher amounts from EU funds, including advances on monies made available in response to the coronavirus crisis. The CR has been a net beneficiary of EU funding since it became a member in 2004.

The CI have called on the government to encourage corporate and public investment, stimulate innovation and accelerate the digital transformation of companies and the state. It said those who did not invest would lose, adding that investment was key to restarting the economy.

30 Mr. Dlouhý has been re-elected president of the CCC for another 3-year term.

The operating profits of Škoda Auto have dropped by nearly 75% during H₁ 2020 to €228mn from last year's €624mn. Škoda Auto sales slumped by more than 25% to €7.5bn from €10.2bn in the previous year. According to Volkswagen, Škoda sold 372,000 vehicles in H₁ 2020, which is a yoy drop of 33.6%. Among the most popular models were the Kodiaq and Karoq SUVs as well as the new Scala and Kamiq models.

The MH Minister Vojtěch plans to increase the testing capacity for Covid-19. At the moment, laboratories in the CR are able to carry out some 17,000 tests a day. Mr Vojtěch plans to increase the testing capacity by up to 25,000 a day by establishing a network of central laboratories in every region of the country. He also said that in the autumn, when the number of respiratory diseases is likely to be higher, labs would prioritise high-risk groups, such as people with heart problems, high blood pressure or diabetes. There are currently 106 laboratories in the CR authorised to carry out testing for Covid-19.

31 The GDP fell by 10.7% yoy and by 8.4% qoq. The drop, which is ascribed to restrictions stemming from the coronavirus pandemic, is the steepest economic decline in the country's modern history.

US Secretary of State Pompeo is due to visit the CR on August 11 and 12. Mr. Pompeo is scheduled to meet with PM Babiš in Prague. The two politicians are expected to discuss the security of 5G mobile networks. Last May, the US Secretary of State and the PM approved a joint declaration committing to find reliable, trustworthy suppliers for 5G mobile networks. Mr. Pompeo's visit, which hasn't been confirmed by Czech officials, is also expected to mark the 75th anniversary of the liberation of West Bohemia by US troops in May 1945. The US Secretary of State is also due to visit Austria, Slovenia and Poland in August.

Aug 2 The government is preparing a tax reform that would abolish the so-called "super gross" wage and significantly lower people's taxes. The super gross wage, which has been the base for calculating employee income tax since 2008, is the sum of an employee's gross wage plus social and health insurance premiums. Instead, the government proposed amendment would introduce a progressive tax rate of 15% for income of up to CZK1.5mn and 24% for income above this amount. Entrepreneurs, including those claiming expenses as a percentage of income, would be allowed to deduct 75% of social security and health insurance contributions paid.

The number of available flats for long-term rental housing in Prague at Q₂ 2020 increased by 97.7% yoy to 14,738. The increase is the steepest in 4 years. The average price of rent is also down by 2.4% yoy, to CZK319/m² per month. In connection with the coronavirus crisis and drop in foreign tourists, some homeowners who had apartments for short-term rentals have decided to provide them for long-term rent.

3 The MH has activated a coronavirus "risk" map identifying the risk of Covid-19 in various districts. The new code system, which is designed as a pandemic plan, reflects the spread of the virus in different districts and spells out specific public health measures as well as instructions to hospitals with regard to readiness for patient influxes. The districts are rated according to a number of criteria, among them community transmission numbers. The system uses 4 colours – red (denoting widespread community transmissions), orange (some risk of community transmissions), green (contained local outbreaks) and white (minimal risk). At this stage no Czech district is marked red or orange.

4 The PM Babiš continues to have a decisive influence on companies in the Agrofert group, according to the substantiation of a decision made by the supreme state attorney Zeman. Last month Mr. Zeman refused to file a suit against Mr. Babiš over alleged conflict of interest stemming from control of media outlets. However, in his legal explanation the supreme state attorney said that a ruling by the Central Bohemian Regional Authority that the PM was not in conflict of interest was incorrect.

The Prague Hygiene Office is likely to reintroduce compulsory face masks in enclosed spaces in the coming weeks, Prague Mayor Hřib said. He said the office was waiting for temperatures to fall before making masks compulsory in Prague's trams and busses, adding that people who were able to tolerate a facemask in the heat were advised to wear one even now in order to help contain the spread of the virus.

5 Unemployment climbed to 3.8% in July, up from 3.7% the previous month. The slight rise was attributed to the coronavirus situation as well as fresh graduates registering with labour offices. There were almost 280,000 jobless at the end of July, which was the highest figure since February 2018. Economists expect a far greater jump in unemployment in the autumn, when some Czech government programmes that are keeping people in work will be discontinued.

Aug 6 The Czech foreign trade surplus rose in June by CZK 17.6bn in annual terms, to CZK 34.1bn, which is the highest monthly figure in the CR's history. Exports dropped yoy by 0.4% to CZK 301.5bn and imports by 6.6 % to CZK 267.4bn. The balance was positively influenced mainly by the motor vehicle sector, where exports increased by CZK11.5bn, and a smaller deficit in refined petroleum products, chemicals, and oil and natural gas.

President Zeman has sent a letter of condolences to the mayor of Hiroshima Kazumi Matsui on the occasion of the 75th anniversary of the dropping of the world's first atomic bomb on the Japanese city. In the letter, Mr. Zeman expressed his grief over the death of dozens of thousands of people and the hope that the production of nuclear weapons will cease in the future.

7 The CFC has said the planned increase in pensions and the abolition of the “super gross” wage, which would significantly lower taxes, is imprudent without a clear plan regarding how the government will replace the drop in state revenues. The CFC has advised the government to debate such steps only after it has a medium-term strategy on consolidating the CR's finances, which it is due to present to the ChD by September 30.

Tourist figures in Q₂ 2020 have plummeted, with the Czech capital registering a drop of 96% in the number of accommodated foreign visitors, according to the CSO. The number of domestic visitors to Prague dropped by 2/3. In Q₂ 2020, 988,000 people used the services of accommodation facilities in the CR, a yoy decrease of 82.9%. Accommodation establishments also recorded fewer nights spent by foreign and Czech guests. Foreigners spent 96.2% fewer nights in hotels or boarding houses than a year earlier, and Czechs spent almost 67% less. The fall is due to restrictions stemming from the coronavirus pandemic.

8 Police last year detained 5,677 illegal immigrants, which is 685 more than in the previous year. It is the highest figure since 2015 and the 2nd highest in the past decade. Just like in the previous years, Ukrainians comprised the largest group, followed by Moldovans, Vietnamese, Georgians and Russians. The number of foreigners with temporary or permanent residence in the CR increased last year by 5.1% on the previous year to 595,881.

10 MRD Minister Dostálová will suggest the state offer financial support for Czech tour guides, whose revenues have fallen some 90% on average during the coronavirus pandemic. The deferral of social and health insurance payments for self-employed people ends in September. Without state support, most guides will be unable to support themselves, the Association of Guides said.

The ATM has criticized the government's coronavirus crisis management. In an analysis based on the statements of 19 mayors, it said distrust of the state has developed in municipalities as a result. ATM said the governing coalition failed to inform municipalities about the number of infected people in their areas and cut some funds without warning. It has called for the ATM to have a representative on the new coronavirus crisis team.

12 US Secretary of State Pompeo arrived for a 2-day official visit during which he and top Czech officials are due to discuss cyber security, responses to the growing global influence of Russia and China, and the development of 5G mobile networks. Mr. Pompeo met with representatives of 5 Czech and American technology companies. The talks revolved around global cyber security and economic development. The meeting was attended by Avast, the Cisco, the IBM, the Y Soft and the STRV. He held talks with PM Babiš and spoke to the Senate. After his meeting with the PM, he said that Russia is “trying to destroy [Western] democracies and break [the NATO] alliance”. Meanwhile, in his Senate address, he criticised China and called it a threat to the CR. Mr. Pompeo warned CR that entering into partnership with Russian or Chinese state companies when constructing the new bloc of the Dukovany NPP would “weaken [Czech] national security”. He said that the Chinese Communist Party is carrying out influence operations aimed at stealing industrial know-how and praised the speaker of the Senate Mr. Vystrčil for preparing a visit to Taiwan despite Chinese criticism.

The ANO would win an election into the ChD with 29% of the vote, according to the CVVM. The Pirates would come in 2nd with 14.5% of the vote, followed by the ODS who would receive 12%. In total, 8 parties would get into the ChD. The ČSSD would receive 9.5% of the vote, slightly less than when measured in June. The KSČM would be voted by 7.5% of the electorate and the KDU-ČSL by 6.5%. The SPD would receive 6% and the STAN would scrape into the CHD with 5.5%. The TOP 09 party would not be able to cross the 5% threshold, as they would receive just 3.5% of the vote.

At 33.8%, Czech companies and employees pay some of the highest social and health insurance contributions when compared with other CEE states. These costs are higher only in Slovakia, where the same groups have to pay a contribution of 35.2%. Meanwhile, at 27%, Hungary has the highest VAT rates. With its minimum rate of VAT at 10%, the CR is still above the regional average. With an average private sector net salary of €1,025, CR trails behind Germany (€2,221), Austria (€2,131) and Slovenia (€1,241), but tops the list when compared to other V4 countries.

13 PM Babiš says the CR will not exclude a Russian bidder from a tender process to build a new nuclear unit. Mr. Babiš said that he had made clear to Mr. Pompeo that the CR could not eliminate bidders from a tender under EU rules.

US Secretary of State Pompeo made unsubstantiated attacks on China, tarnishing the country's name and inciting disagreement between China and other states, the spokesman of the Chinese Embassy said after Mr. Pompeo's remarks during his meetings with Czech leaders.

Aug 14 The turnover of the CR's 100 largest companies last year reached nearly CZK3.5tn, according to the Association Top 100. Škoda Auto again won the annual contest for the best-rated 100 companies in the CR, which made the highest profits, with over CZK459bn. EPH came 2nd, followed by the ČEZ. Other companies in the top-5 include Agrofert and Foxconn CZ.

The coal mining company OKD is renewing operation in all its mines, which were closed down for 6 weeks due to the spread of coronavirus infection among the miners.

330 freshly detected cases of Covid-19 in the CR, which was the highest one-day rise since April 3, according to MH. It is also the 3rd highest figure since the outbreak of coronavirus in the CR at the start of March. The total number of known cases of the virus since the start of March stood at 19,401 on August 14. To date 391 people have died with Covid-19 and 13,574 have recovered from the disease. At present Frýdek-Místek has the highest incidence, followed by Prague.

Police in Prague last month arrested a Russian diplomat over the purchase of illegal ammunition. Sources in the Czech secret services told that he was employed in the military section of the Russian Embassy in Prague. Following his detention for buying illegal ammunition for sniper rifles and other kinds of ammunition he was released in view of his diplomatic immunity. He then immediately left the CR for Russia.

注：本報告は、チェコ政府公表資料、新聞等報道資料をとりまとめたもの。

* **ACER**: Agency for the Coordination of European Energy Regulators; **ACM**: Association of Car Makers; **AE**: Association of Exporters; **AIA**: Automotive Industry Association; **AHR**: Association of Hotels and Restaurants; **ALA**: Association of Local Administrations; **ANO**: Ano 2011 Movement; **ARR**: Association for Rural Renewal; **ASCR**: Academy of Sciences of the CR; **ASF**: African swine fever; **ASME**: Association of Small and Medium-Sized Enterprises and Crafts; **ATM**: Association of Towns and Municipalities; **BIS**: Security Information Service; **Bn**:bn; **CAE**: Czech Association of Exporters; **CAP**: Common Agriculture Policy; **CBA**: Czech Banking Association; **CC**: Constitutional Court; **CE**: Central Europe; **CCS**: Central Crisis Staff; **CEB**: Czech Export Bank; **CEPS**: Czech Electricity Transmission System Operator; **CFC**: Czech Fiscal Council; **ChD**: Chamber of Deputies of the Parliament of the CR; **CHI**: Czech Hydro meteorological Institute; **CI**: Confederation of Industry; **CIA**: Car Importers' Association; **CMC**: Czech Medical Chamber; **CMKOS**: Czech Confederation of Trade Unions; **CNB**: Czech National Bank; **CNG**: Compressed natural gas; **CoE**: Council of Europe; **ČOI**: Czech Trade Inspection Authority **CR**: Czech Republic; **CSA**: Czech Airlines; **CSO**: Czech Statistical Office; **CSSA**: Czech Social Security Administration; **ČSSD**: Czech Social Democratic Party; **CTK**: Czech News Agency; **CTO**: Czech Telecommunications Office; **CVVM**: Public Opinion Research Centre ; **CZK**: Czech crown; **EC**: European Commission; **ECJ**: European Court of Justice; **EP**: European Parliament; **EE**: Eastern Europe; **EET**: Electronic cash registers system; **EIA**: Environment Impact Assessments; **EIB**: European Investment Bank; **EP**: European Parliament; **ERDF**: European Fund for Regional Development; **ERM II**: Exchange Rate Mechanism II; **ERO**: Energy Regulator Office; **ESA**: European Space Agency; **ESIF**: European Structural and Investment Fund; **ESM**: European Stability Mechanism; **EU**: European Union; **EY**: Ernst & Young; **FA**: Financial Administration; **FDI**: Foreign direct investment; **GDP**: Gross Domestic Product; **GDPR**: General Data Protection Regulation; **GP**: general practitioner; **GRECO**: Council of Europe Group of States Against Corruption; **GSA**: European Global Navigation Satellite Systems Agency; **GVA**: Gross Value Added; **h**: heller; **H**: Half of year; **HN**: Daily Hospodářské noviny; **HRL**: Human Rights and Legislation; **IHIS**: Institute of Health Information and Statistics; **ILO**: International Labour Organization; **Kantar**: polling agency; **KDU-ČSL**: Christian Democrats; **KSČM**: KSČM of Bohemia and Moravia; **LČR**: Forest of the Czech Republic; **LNG**: Liquefied natural gas; **LO**: Labour Office; **Mom**: month on month; **MA**: Ministry of Agriculture; **MC**: Ministry of Culture; **ME**: Ministry of Environment; **MF**: Ministry of Finance; **MH**: Ministry of Health; **MI**: Ministry of the Interior; **MJ**: Ministry of Justice; **MIT**: Ministry of Industry and Trade; **Mn**: million; **MLSA**: Ministry of Labour and Social Affairs; **MRD**: Ministry of Regional Development; **MT**: Ministry of Transport; **NAPDNE**: National Action Plan of Development of Nuclear Energy; **NAPCM**: National Action Plan for Clean Mobility; **NCISA**: National Cyber and Information Security Agency; **NCCOC**: National Centre for Combating Organised Crime; **NERV**: National Economic Council; **NGO**: non-government organisation; **NHI**: National Heritage Institute; **NIPM**: National Institute for the Preservation of Monuments **NPP**: Nuclear Power Plant; **NSC**: National Security Council; **OGCR**: Office of the Government; **ODS**: Civic Democratic Party; **OPCR**: Office of the President of the Czech Republic; **OPDP**: Office for the Personal Data Protection; **OSA**: Copyright Protection Association for Music Rights; **Pirates**: Czech Pirate Party; **Pps**: percentage point; **PJ**: petajoule; **PM**: PM; **Q-o-q**: quarter on quarter; **Q***: Quarter *; **RAWRA**: Radioactive Waste Repository Authority **RES**: renewable sources; **RIA**: Railway Infrastructure Administration; **SAC**: Supreme Administrative Court; **SAO**: Supreme Audit Office; **SFTI**: State Fund for Transport Infrastructure; **SPD**: Freedom and Direct Democracy; **SRMA**: State Material Reserves Administration; **STAN**: Mayors and Independents; **STEM**: Public Opinion Research company; **STFI**: State Fund for Transport Infrastructure; **SÚJB**: State Nuclear Safety Authority; **SÚRAO**: Radioactive Waste Repository Authority; **SVA**: State Veterinary Authority; **SZIF**: State Agricultural Intervention Fund; **t**: tonnes; **TI**: Transparency International; **Tn**: trillion; **TOP09**: TOP 09 Party; **Tricolour**: Tricolour party; **TTIP**: Transatlantic Trade and Investment Partnership ; **TU**: Trade union; **TUL**: Technical University of Liberec; **UN**: United Nations; **V4**: Visegrad Four; **VAT**: Value Added Tax; **WHO**: World Health Organ; **Y-o-y**: year on year